

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

EXAMINATION REPORT

OF

FLAT ROCK-HAWCREEK SCHOOL CORPORATION

BARTHOLOMEW COUNTY, INDIANA

July 1, 2007 to June 30, 2009



**FILED**

07/16/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jeffrey A. Cleland	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Philip K. Deardorff	07-01-07 to 06-30-10
President of the School Board	William J. Hill John Baute Thomas Miller	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FLAT ROCK-HAWCREEK SCHOOL  
CORPORATION, BARTHOLOMEW COUNTY, INDIANA

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

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

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

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

STATE BOARD OF ACCOUNTS

February 18, 2010

FLAT ROCK-HAWCREEK 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 4,423,958	\$ -	\$ 61,484	\$ (4,362,474)
Support services	2,600,206	1,066,087	215,188	(1,318,931)
Noninstructional services	465,922	-	-	(465,922)
Facilities acquisition and construction	459,596	-	-	(459,596)
Debt service	1,352,956	-	-	(1,352,956)
Nonprogrammed charges	1,428,048	-	-	(1,428,048)
<b>Total governmental activities</b>	<b><u>\$ 10,730,686</u></b>	<b><u>\$ 1,066,087</u></b>	<b><u>\$ 276,672</u></b>	<b><u>(9,387,927)</u></b>
General receipts:				
Property taxes				2,345,431
Other local sources				1,157,255
State aid				4,826,914
Bonds and loans				550,000
Grants and contributions not restricted to specific programs				238,928
Sale of property				11,939
Investment earnings				29,847
Other				7,862
<b>Total general receipts</b>				<b><u>9,168,176</u></b>
Change in net assets				(219,751)
Net assets - beginning				<u>505,230</u>
Net assets - ending				<b><u>\$ 285,479</u></b>
<b>Assets</b>				
Cash and investments				\$ 183,979
Restricted assets:				
Cash and investments				69,782
Cash with fiscal agent				31,718
<b>Total assets</b>				<b><u>\$ 285,479</u></b>
<b>Net Assets</b>				
Restricted for:				
Debt service				\$ 69,782
Other purposes				31,718
Unrestricted				183,979
<b>Total net assets</b>				<b><u>\$ 285,479</u></b>

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

FLAT ROCK-HAWCREEK 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,842,922	\$ -	\$ 49,682	\$ (3,793,240)
Support services	3,313,472	2,053,689	203,823	(1,055,960)
Noninstructional services	470,131	-	-	(470,131)
Facilities acquisition and construction	165,374	-	-	(165,374)
Debt service	1,484,301	-	-	(1,484,301)
Nonprogrammed charges	2,516,162	-	-	(2,516,162)
Total governmental activities	\$ 11,792,362	\$ 2,053,689	\$ 253,505	(9,485,168)
General receipts:				
Property taxes				2,302,042
Other local sources				596,584
State aid				5,212,763
Bonds and loans				872,058
Grants and contributions not restricted to specific programs				748,888
Sale of property				1,084,321
Investment earnings				11,062
Other				16,491
Total general receipts				10,844,209
Change in net assets				1,359,041
Net assets - beginning				285,479
Net assets - ending				\$ 1,644,520
<u>Assets</u>				
Cash and investments				\$ 1,208,856
Restricted assets:				
Cash and investments				421,690
Cash with fiscal agent				13,974
Total assets				\$ 1,644,520
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 421,690
Other purposes				13,974
Unrestricted				1,208,856
Total net assets				\$ 1,644,520

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

FLAT ROCK-HAWCREEK 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	Special Education Preschool	Textbook Rental	Medicaid Reimbursement	School Technology	Drug Free Schools
<b>Receipts:</b>						
Local sources	\$ 1,341,785	\$ 10,112	\$ 120,086	\$ -	\$ -	\$ -
Intermediate sources	668	-	-	-	-	-
State sources	4,857,313	36,506	-	-	-	-
Federal sources	-	-	-	-	-	8,427
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,199,766</b>	<b>46,618</b>	<b>120,086</b>	<b>-</b>	<b>-</b>	<b>8,427</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	4,162,107	46,396	-	-	-	-
Support services	1,598,569	438	104,660	-	306	853
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	1,001	-	-	-	3,660	-
Debt services	661,717	-	-	-	-	-
Nonprogrammed charges	672,371	-	-	-	-	-
<b>Total disbursements</b>	<b>7,095,765</b>	<b>46,834</b>	<b>104,660</b>	<b>-</b>	<b>3,966</b>	<b>853</b>
Excess (deficiency) of receipts over disbursements	(895,999)	(216)	15,426	-	(3,966)	7,574
<b>Other financing sources (uses):</b>						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	8,461	-	-	-	-	-
Transfers in	269,566	-	-	-	-	-
Transfers out	-	(374)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>278,027</b>	<b>(374)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(617,972)	(590)	15,426	-	(3,966)	7,574
Cash and investments - beginning	(9,079)	80,595	17,762	51,023	33,420	30,628
Cash and investments - ending	<u>\$ (627,051)</u>	<u>\$ 80,005</u>	<u>\$ 33,188</u>	<u>\$ 51,023</u>	<u>\$ 29,454</u>	<u>\$ 38,202</u>

Amounts reported for governmental activities in the Statement of Cash 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.

**Net assets of governmental activities**

Cash and Investment Assets - Ending

Cash and investments	\$ (627,051)	\$ 80,005	\$ 33,188	\$ 51,023	\$ 29,454	\$ 38,202
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ (627,051)</u></b>	<b><u>\$ 80,005</u></b>	<b><u>\$ 33,188</u></b>	<b><u>\$ 51,023</u></b>	<b><u>\$ 29,454</u></b>	<b><u>\$ 38,202</u></b>

Cash and Investment Fund Balance - Ending

Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(627,051)	80,005	33,188	51,023	29,454	38,202
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (627,051)</u></b>	<b><u>\$ 80,005</u></b>	<b><u>\$ 33,188</u></b>	<b><u>\$ 51,023</u></b>	<b><u>\$ 29,454</u></b>	<b><u>\$ 38,202</u></b>

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

FLAT ROCK-HAWCREEK 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  
(Continued)

	Title II Part A	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ 562,216	\$ 958,616	\$ 16,039	\$ 801,033	\$ 3,809,887
Intermediate sources	-	-	-	-	675	1,343
State sources	-	-	-	-	36,540	4,930,359
Federal sources	40,316	-	-	-	363,411	412,154
Temporary loans	-	-	550,000	-	-	550,000
Other	-	-	-	-	7,862	7,862
<b>Total receipts</b>	<b>40,316</b>	<b>562,216</b>	<b>1,508,616</b>	<b>16,039</b>	<b>1,209,521</b>	<b>9,711,605</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	39,011	-	-	-	176,444	4,423,958
Support services	-	-	286,697	160,629	448,054	2,600,206
Noninstructional services	-	-	-	-	465,922	465,922
Facilities acquisition and construction	-	-	454,935	-	-	459,596
Debt services	-	550,937	54,481	-	85,821	1,352,956
Nonprogrammed charges	-	-	-	-	-	672,371
<b>Total disbursements</b>	<b>39,011</b>	<b>550,937</b>	<b>796,113</b>	<b>160,629</b>	<b>1,176,241</b>	<b>9,975,009</b>
Excess (deficiency) of receipts over disbursements	1,305	11,279	712,503	(144,590)	33,280	(263,404)
<b>Other financing sources (uses):</b>						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	3,478	11,939
Transfers in	-	-	59,679	-	193,490	522,735
Transfers out	(77,529)	(101,410)	(35,098)	(8,327)	(299,997)	(522,735)
<b>Total other financing sources (uses)</b>	<b>(77,529)</b>	<b>(101,410)</b>	<b>24,581</b>	<b>(8,327)</b>	<b>(103,029)</b>	<b>11,939</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(76,224)	(90,131)	737,084	(152,917)	(69,749)	(251,465)
Cash and investments - beginning	116,540	151,846	(116,287)	187,368	(38,590)	505,226
Cash and investments - ending	\$ 40,316	\$ 61,715	\$ 620,797	\$ 34,451	\$ (108,339)	253,761
Amounts reported for governmental activities in the Statement of Cash 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.						
						31,718
Net assets of governmental activities						\$ 285,479
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 40,316	\$ -	\$ 620,797	\$ 34,451	\$ (116,406)	\$ 183,979
Restricted assets:						
Cash and investments	-	61,715	-	-	8,067	69,782
<b>Total cash and investment assets - ending</b>	<b>\$ 40,316</b>	<b>\$ 61,715</b>	<b>\$ 620,797</b>	<b>\$ 34,451</b>	<b>\$ (108,339)</b>	<b>\$ 253,761</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ 61,715	\$ -	\$ -	\$ 8,067	\$ 69,782
Unrestricted	40,316	-	620,797	34,451	(116,406)	183,979
<b>Total cash and investment fund balance - ending</b>	<b>\$ 40,316</b>	<b>\$ 61,715</b>	<b>\$ 620,797</b>	<b>\$ 34,451</b>	<b>\$ (108,339)</b>	<b>\$ 253,761</b>

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

FLAT ROCK-HAWCREEK 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	Special Education Preschool	Textbook Rental	Medicaid Reimbursement	School Technology	Drug Free Schools	Title II Part A
<b>Receipts:</b>							
Local sources	\$ 1,598,190	\$ 8,425	\$ 110,365	\$ -	\$ -	\$ -	\$ -
Intermediate sources	347	-	-	-	-	-	-
State sources	5,232,496	30,185	-	-	-	-	-
Federal sources	-	-	-	-	-	6,624	-
Temporary loans	209,787	-	-	-	-	-	-
Other	1,352	-	-	-	-	-	-
<b>Total receipts</b>	<b>7,042,172</b>	<b>38,610</b>	<b>110,365</b>	<b>-</b>	<b>-</b>	<b>6,624</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,664,337	30,034	-	-	-	-	-
Support services	2,248,453	50	98,039	-	-	28,000	-
Noninstructional services	30	-	-	-	-	-	-
Facilities acquisition and construction	200	-	-	-	29,454	-	-
Debt services	20	-	-	-	-	-	-
Nonprogrammed charges	722,809	-	-	32,276	-	-	-
<b>Total disbursements</b>	<b>6,635,849</b>	<b>30,084</b>	<b>98,039</b>	<b>32,276</b>	<b>29,454</b>	<b>28,000</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	406,323	8,526	12,326	(32,276)	(29,454)	(21,376)	-
<b>Other financing sources (uses):</b>							
Sale of capital assets	51	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	406,374	8,526	12,326	(32,276)	(29,454)	(21,376)	-
Cash and investments - beginning	(627,051)	80,005	33,188	51,023	29,454	38,202	40,316
Cash and investments - ending	<u>\$ (220,677)</u>	<u>\$ 88,531</u>	<u>\$ 45,514</u>	<u>\$ 18,747</u>	<u>\$ -</u>	<u>\$ 16,826</u>	<u>\$ 40,316</u>
Amounts reported for governmental activities in the Statement of Cash 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.							
<b>Net assets of governmental activities</b>							
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ (220,677)	\$ 88,531	\$ 45,514	\$ 18,747	\$ -	\$ 16,826	\$ 40,316
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ (220,677)</u></b>	<b><u>\$ 88,531</u></b>	<b><u>\$ 45,514</u></b>	<b><u>\$ 18,747</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 16,826</u></b>	<b><u>\$ 40,316</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(220,677)	88,531	45,514	18,747	-	16,826	40,316
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (220,677)</u></b>	<b><u>\$ 88,531</u></b>	<b><u>\$ 45,514</u></b>	<b><u>\$ 18,747</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 16,826</u></b>	<b><u>\$ 40,316</u></b>

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

FLAT ROCK-HAWCREEK 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  
(Continued)

	Fiscal Stabilization Education (Stimulus)	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ 628,483	\$ -	\$ -	\$ -	\$ 841,414	\$ 3,186,877
Intermediate sources	-	-	-	-	-	544	891
State sources	-	-	-	-	-	37,990	5,300,671
Federal sources	539,663	-	-	-	-	368,198	914,485
Temporary loans	-	409,831	-	-	-	252,440	872,058
Other	-	-	-	-	-	15,139	16,491
<b>Total receipts</b>	<b>539,663</b>	<b>1,038,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,515,725</b>	<b>10,291,473</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	148,550	3,842,921
Support services	-	-	485,768	(21,581)	-	474,744	3,313,473
Noninstructional services	-	-	-	-	-	470,101	470,131
Facilities acquisition and construction	-	-	132,720	-	-	3,000	165,374
Debt services	-	632,714	601,271	-	-	250,296	1,484,301
Nonprogrammed charges	-	-	-	-	-	(32,276)	722,809
<b>Total disbursements</b>	<b>-</b>	<b>632,714</b>	<b>1,219,759</b>	<b>(21,581)</b>	<b>-</b>	<b>1,314,415</b>	<b>9,999,009</b>
Excess (deficiency) of receipts over disbursements	539,663	405,600	(1,219,759)	21,581	-	201,310	292,464
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	458,888	-	625,000	382	1,084,321
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	539,663	405,600	(760,871)	21,581	625,000	201,692	1,376,785
Cash and investments - beginning	-	61,715	620,797	34,451	-	(108,339)	253,761
Cash and investments - ending	\$ 539,663	\$ 467,315	\$ (140,074)	\$ 56,032	\$ 625,000	\$ 93,353	1,630,546
Amounts reported for governmental activities in the Statement of Cash 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.							
							13,974
Net assets of governmental activities							\$ 1,644,520
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 539,663	\$ -	\$ (140,074)	\$ 56,032	\$ 625,000	\$ 138,978	\$ 1,208,856
Restricted assets:							
Cash and investments	-	467,315	-	-	-	(45,625)	421,690
<b>Total cash and investment assets - ending</b>	<b>\$ 539,663</b>	<b>\$ 467,315</b>	<b>\$ (140,074)</b>	<b>\$ 56,032</b>	<b>\$ 625,000</b>	<b>\$ 93,353</b>	<b>\$ 1,630,546</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ 467,315	\$ -	\$ -	\$ -	\$ (45,625)	\$ 421,690
Unrestricted	539,663	-	(140,074)	56,032	625,000	138,978	1,208,856
<b>Total cash and investment fund balance - ending</b>	<b>\$ 539,663</b>	<b>\$ 467,315</b>	<b>\$ (140,074)</b>	<b>\$ 56,032</b>	<b>\$ 625,000</b>	<b>\$ 93,353</b>	<b>\$ 1,630,546</b>

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 787,391
Operating disbursements:	
Insurance claims and expense	575,802
Other	179,875
Total operating disbursements	755,677
Change in net assets	31,714
Cash and investment fund balance - beginning	4
Cash and investment fund balance - ending	\$ 31,718
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash with fiscal agent	\$ 31,718
Total cash and investment assets - ending	\$ 31,718
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 31,718
Total cash and investment fund balance - ending	\$ 31,718

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,775,609
Operating disbursements:	
Insurance claims and expense	1,616,412
Other	176,941
Total operating disbursements	1,793,353
Change in net assets	(17,744)
Cash and investment fund balance - beginning	31,718
Cash and investment fund balance - ending	\$ 13,974
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash with fiscal agent	\$ 13,974
Total cash and investment assets - ending	\$ 13,974
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 13,974
Total cash and investment fund balance - ending	\$ 13,974

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

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2008

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 17,707	
Deficiency of total additions over total deductions	(17,717)	
Cash and investment fund balance - beginning	521,579	
Cash and investment fund balance - ending	\$ 503,862	\$ 45,017
Net assets:		
Cash and investments	\$ 503,862	\$ 45,017
Total net assets - cash and investment basis held in trust	\$ 503,862	\$ 45,017

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

FLAT ROCK-HAWCREEK 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	Agency Funds
Deductions:		
Benefits	\$ <u>21,762</u>	
Total deductions	<u>21,762</u>	
Deficiency of total additions over total deductions	(21,762)	
Cash and investment fund balance - beginning	<u>503,872</u>	
Cash and investment fund balance - ending	<u>\$ 482,110</u>	<u>\$ 29,281</u>
Net assets:		
Cash and investments	<u>\$ 482,110</u>	<u>\$ 29,281</u>
Total net assets - cash and investment basis held in trust	<u>\$ 482,110</u>	<u>\$ 29,281</u>

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

FLAT ROCK-HAWCREEK 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: Flat Rock-Hawcreek 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 in a joint venture to operate Blue River Special Education Cooperative which was created to provide special education services. The Blue River Special Education Cooperative's continued existence depends on continued funding by the participating school corporation. Complete financial statements for the Blue River Special Education Cooperative can be obtained from Blue River Special Education Cooperative, 111 West McKay Road, Shelbyville, IN 46176.

The School Corporation is a participant in a joint venture to operate Columbus Area Career Connection which was created to provide vocational education services.. The Columbus Area Career Connection's continued existence depends on continued funding by the participating school corporation. Complete financial statements for the Columbus Area Career Connection can be obtained from Marilyn Metzler, 1200 Central Avenue, Columbus, IN 47201.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

FLAT ROCK-HAWCREEK 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 special education preschool fund is used for special education programs for preschool aged children.

The textbook rental fund accounts for receipts and disbursements related to the rest of textbooks and workbooks furnished to students.

Medicaid reimbursement accounts for State payments received for reimbursements as a Medicaid provider.

The school technology fund accounts for technology related disbursements.

Drug free schools fund is a grant fund used to educate school children on being drug free.

The Title II, Part A fund is a grant fund used for class size reduction.

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

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

The capital projects fund accounts for planned construction, repair, replacement or remodeling of buildings; 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.

Construction fund is used to account for funds used for the construction of various corporation construction projects.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for all receipts and disbursements from the School Corporation's self-insurance fund.

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The pension trust fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the school cooperation in a trustee capacity.

Agency funds account for assets held by the School Corporation as an agent for employee payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

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. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Property Taxes

Normally, 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 may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

4. 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.

5. Long-Term Debt

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

6. 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."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Receipts and Disbursements

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.

F. Internal and Interfund 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding

Amounts reported in the financial statements are rounded from the records amounts; therefore, there may be minor differences between schedules and statements.

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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 January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, 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 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. Disbursements in Excess of Appropriations

For the years ended December 30, 2008 and 2009, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2008	2009
School Pension Debt	\$ (17,177)	\$ -
Capital Projects	(195,314)	(280,726)
Transportation	-	(52,203)
Totals	\$ (212,491)	\$ (332,929)

These disbursements were funded by accumulated cash balance.

C. 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:

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund	2008	2009
General	\$ (627,051)	\$ (220,678)
Capital Projects	-	(140,075)
Transportation	(91,350)	-
School Lunch	(9,176)	(23,730)
USF Erate Discounts and Refunds	(36,378)	-
Title I	(18,917)	-
Medicaid Reimbursement - Federal	(32,276)	-
Pension Bond Debt Service	-	(45,625)

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

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. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The 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 \$1,626,017.

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.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008
Title II Part A	General Fund	\$ 77,529
Special Education Preschool	Other governmental funds	374
Debt Service	Other governmental funds	101,410
School Bus Replacement	Other governmental funds	8,327
Capital Projects	Other governmental funds	35,098
Other governmental funds	General Fund	192,037
Other governmental funds	Capital Projects	59,679
Other governmental funds	Other governmental funds	48,281
Total		<u>\$ 522,735</u>

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

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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; 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; and natural disasters are covered by commercial insurance from independent third parties.

The School Corporation has chosen to establish a risk financing fund for risks associated with health insurance. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the fund. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages, and are reported as quasi-external interfund transactions.

Settled claims from risks covered by commercial insurance 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 Flat Rock-Hawcreek Elementary 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 years 2008 and 2009 totaled \$369,740 and \$364,460, respectively.

C. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plan

a. Public Employees' Retirement Fund

Plan Description

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

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$39,507.

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

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy

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

The School Corporation's contributions to the plan during the period were \$253,925.

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 480,285	\$ 629,235	\$ (148,950)	76%	\$ 592,846	(25%)
07-01-07	543,754	676,660	(132,906)	80%	588,797	(23%)
07-01-08	517,386	692,378	(174,992)	75%	633,147	(28%)

FLAT ROCK-HAWCREEK 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

	<u>Transportation</u>	<u>School Lunch</u>	<u>Levy Excess</u>	<u>Educational License Plates</u>	<u>Safe School Haven</u>	<u>Gifts Donations and Bequests</u>
Receipts:						
Local sources	\$ 373,022	\$ 258,411	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	675	-	-
State sources	-	5,456	-	-	-	-
Federal sources	-	209,732	-	-	-	-
Other	-	144	-	-	-	-
Total receipts	<u>373,022</u>	<u>473,743</u>	<u>-</u>	<u>675</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	399,832	422	-	-	-	-
Noninstructional services	-	465,922	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>399,832</u>	<u>466,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(26,810)</u>	<u>7,399</u>	<u>-</u>	<u>675</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	193,490	-	-	-
Transfers out	<u>(90,783)</u>	<u>-</u>	<u>(192,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(90,783)</u>	<u>-</u>	<u>1,453</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(117,593)</u>	<u>7,399</u>	<u>1,453</u>	<u>675</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>26,243</u>	<u>(16,575)</u>	<u>-</u>	<u>3,962</u>	<u>1,146</u>	<u>285</u>
Cash and investments - ending	<u>\$ (91,350)</u>	<u>\$ (9,176)</u>	<u>\$ 1,453</u>	<u>\$ 4,637</u>	<u>\$ 1,146</u>	<u>\$ 285</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (91,350)	\$ (9,176)	\$ 1,453	\$ 4,637	\$ 1,146	\$ 285
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (91,350)</u>	<u>\$ (9,176)</u>	<u>\$ 1,453</u>	<u>\$ 4,637</u>	<u>\$ 1,146</u>	<u>\$ 285</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(91,350)</u>	<u>(9,176)</u>	<u>1,453</u>	<u>4,637</u>	<u>1,146</u>	<u>285</u>
Total cash and investment fund balance - ending	<u>\$ (91,350)</u>	<u>\$ (9,176)</u>	<u>\$ 1,453</u>	<u>\$ 4,637</u>	<u>\$ 1,146</u>	<u>\$ 285</u>

FLAT ROCK-HAWCREEK 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)

	Heritage Fund	AED Fund	Recreational Activities	Indiana Next Leadership Training	Fine Arts Godby/Robertson	Tech Prep Development and Curricular Improvement
<b>Receipts:</b>						
Local sources	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	-	4,000	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-
Cash and investments - beginning	1,687	-	753	1,501	208	286
Cash and investments - ending	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ 753</u>	<u>\$ 1,501</u>	<u>\$ 208</u>	<u>\$ 286</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,687	\$ -	\$ 753	\$ 1,501	\$ 208	\$ 286
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ 753</u>	<u>\$ 1,501</u>	<u>\$ 208</u>	<u>\$ 286</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,687	-	753	1,501	208	286
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,687</u>	<u>\$ -</u>	<u>\$ 753</u>	<u>\$ 1,501</u>	<u>\$ 208</u>	<u>\$ 286</u>

FLAT ROCK-HAWCREEK 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)

	Cinery Basics Phase II	Educational Technology	Drug Free Communities	Non English Speaking Program	Miscellaneous Programs	USF - Erate Discounts and Refunds
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	29,949	-	1,135	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	7,718
<b>Total receipts</b>	<b>-</b>	<b>29,949</b>	<b>-</b>	<b>1,135</b>	<b>-</b>	<b>7,718</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	-	21,513	1,094	-	-	21,193
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>21,513</b>	<b>1,094</b>	<b>-</b>	<b>-</b>	<b>21,193</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>8,436</b>	<b>(1,094)</b>	<b>1,135</b>	<b>-</b>	<b>(13,475)</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	3,478
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,478</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>8,436</b>	<b>(1,094)</b>	<b>1,135</b>	<b>-</b>	<b>(9,997)</b>
<b>Cash and investments - beginning</b>	<b>200</b>	<b>334</b>	<b>8,094</b>	<b>293</b>	<b>500</b>	<b>(26,381)</b>
<b>Cash and investments - ending</b>	<b>\$ 200</b>	<b>\$ 8,770</b>	<b>\$ 7,000</b>	<b>\$ 1,428</b>	<b>\$ 500</b>	<b>\$ (36,378)</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 200	\$ 8,770	\$ 7,000	\$ 1,428	\$ 500	\$ (36,378)
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 200</b>	<b>\$ 8,770</b>	<b>\$ 7,000</b>	<b>\$ 1,428</b>	<b>\$ 500</b>	<b>\$ (36,378)</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	200	8,770	7,000	1,428	500	(36,378)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 200</b>	<b>\$ 8,770</b>	<b>\$ 7,000</b>	<b>\$ 1,428</b>	<b>\$ 500</b>	<b>\$ (36,378)</b>

FLAT ROCK-HAWCREEK 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)

	School Safety Commission	Electronic Portfolio Fine Arts	Media Special Millenia Grant	Teacher Technology Fellowship	Title I	Title V Part A
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	153,679	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,679</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	176,444	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,444</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,765)</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,765)</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>1,558</b>	<b>360</b>	<b>465</b>	<b>31</b>	<b>3,848</b>	<b>23,453</b>
<b>Cash and investments - ending</b>	<b>\$ 1,558</b>	<b>\$ 360</b>	<b>\$ 465</b>	<b>\$ 31</b>	<b>\$ (18,917)</b>	<b>\$ 23,453</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,558	\$ 360	\$ 465	\$ 31	\$ (18,917)	\$ 23,453
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,558</b>	<b>\$ 360</b>	<b>\$ 465</b>	<b>\$ 31</b>	<b>\$ (18,917)</b>	<b>\$ 23,453</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,558	360	465	31	(18,917)	23,453
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,558</b>	<b>\$ 360</b>	<b>\$ 465</b>	<b>\$ 31</b>	<b>\$ (18,917)</b>	<b>\$ 23,453</b>

FLAT ROCK-HAWCREEK 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)

	Eisenhower Technology Grant	Medicaid Reimbursement	Enhancing Education Through Technology	Pension Bond Debt Service	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 165,600	\$ 801,033
Intermediate sources	-	-	-	-	675
State sources	-	-	-	-	36,540
Federal sources	-	-	-	-	363,411
Other	-	-	-	-	7,862
<b>Total receipts</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,600</u>	<u>1,209,521</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	176,444
Support services	-	-	-	-	448,054
Noninstructional services	-	-	-	-	465,922
Debt services	-	-	-	85,821	85,821
<b>Total disbursements</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,821</u>	<u>1,176,241</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,779</u>	<u>33,280</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	-	-	3,478
Transfers in	-	-	-	-	193,490
Transfers out	-	-	-	(17,177)	(299,997)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,177)</u>	<u>(103,029)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,602</u>	<u>(69,749)</u>
Cash and investments - beginning	<u>8,140</u>	<u>(32,276)</u>	<u>7,830</u>	<u>(54,535)</u>	<u>(38,590)</u>
Cash and investments - ending	<u>\$ 8,140</u>	<u>\$ (32,276)</u>	<u>\$ 7,830</u>	<u>\$ 8,067</u>	<u>\$ (108,339)</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 8,140	\$ (32,276)	\$ 7,830	\$ -	\$ (116,406)
Restricted assets:					
Cash and investments	-	-	-	8,067	8,067
<b>Total cash and investment assets - ending</b>	<u>\$ 8,140</u>	<u>\$ (32,276)</u>	<u>\$ 7,830</u>	<u>\$ 8,067</u>	<u>\$ (108,339)</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 8,067	\$ 8,067
Unrestricted	<u>8,140</u>	<u>(32,276)</u>	<u>7,830</u>	<u>-</u>	<u>(116,406)</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 8,140</u>	<u>\$ (32,276)</u>	<u>\$ 7,830</u>	<u>\$ 8,067</u>	<u>\$ (108,339)</u>

FLAT ROCK-HAWCREEK 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

	Transportation	School Lunch	Levy Excess	Educational License Plates	Safe School Haven	Gifts Donations and Bequests	Heritage Fund
<b>Receipts:</b>							
Local sources	\$ 396,363	\$ 248,447	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	544	-	-	-
State sources	-	5,433	-	-	2,608	-	-
Federal sources	-	198,390	-	-	-	-	-
Temporary loans	252,440	-	-	-	-	-	-
Other	-	3,979	-	-	-	-	-
<b>Total receipts</b>	<b>648,803</b>	<b>456,249</b>	<b>-</b>	<b>544</b>	<b>2,608</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	450,172	702	-	-	99	-	-
Noninstructional services	-	470,101	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,000	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>450,172</b>	<b>470,803</b>	<b>-</b>	<b>3,000</b>	<b>99</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>198,631</b>	<b>(14,554)</b>	<b>-</b>	<b>(2,456)</b>	<b>2,509</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	382	-	-	-	-	-	-
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>199,013</b>	<b>(14,554)</b>	<b>-</b>	<b>(2,456)</b>	<b>2,509</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>(91,350)</b>	<b>(9,176)</b>	<b>1,453</b>	<b>4,637</b>	<b>1,146</b>	<b>285</b>	<b>1,687</b>
<b>Cash and investments - ending</b>	<b>\$ 107,663</b>	<b>\$ (23,730)</b>	<b>\$ 1,453</b>	<b>\$ 2,181</b>	<b>\$ 3,655</b>	<b>\$ 285</b>	<b>\$ 1,687</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 107,663	\$ (23,730)	\$ 1,453	\$ 2,181	\$ 3,655	\$ 285	\$ 1,687
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 107,663</b>	<b>\$ (23,730)</b>	<b>\$ 1,453</b>	<b>\$ 2,181</b>	<b>\$ 3,655</b>	<b>\$ 285</b>	<b>\$ 1,687</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	107,663	(23,730)	1,453	2,181	3,655	285	1,687
<b>Total cash and investment fund balance - ending</b>	<b>\$ 107,663</b>	<b>\$ (23,730)</b>	<b>\$ 1,453</b>	<b>\$ 2,181</b>	<b>\$ 3,655</b>	<b>\$ 285</b>	<b>\$ 1,687</b>

FLAT ROCK-HAWCREEK 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)

	Recreational Activities	Indiana Next Leadership Training	Fine Arts Godby/Robertson	Development and Curricular Improvement	Cinergy Basics Phase II	Educational Technology	Drug Free Communities
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	29,949	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	29,949	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	753	1,501	-	-	-	34,062	3,198
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	753	1,501	-	-	-	34,062	3,198
Excess (deficiency) of receipts over disbursements	(753)	(1,501)	-	-	-	(4,113)	(3,198)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(753)	(1,501)	-	-	-	(4,113)	(3,198)
Cash and investments - beginning	753	1,501	208	286	200	8,770	7,000
Cash and investments - ending	\$ -	\$ -	\$ 208	\$ 286	\$ 200	\$ 4,657	\$ 3,802
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ 208	\$ 286	\$ 200	\$ 4,657	\$ 3,802
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 208	\$ 286	\$ 200	\$ 4,657	\$ 3,802
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	208	286	200	4,657	3,802
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 208	\$ 286	\$ 200	\$ 4,657	\$ 3,802

FLAT ROCK-HAWCREEK 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)

	Non English Speaking Program	Miscellaneous Programs	USF - Erate Discounts and Refunds	School Safety Commission	Electronic Portfolio Fine Arts	Media Special Millenia Grant	Teacher Technology Fellowship
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	11,160	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>11,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,428	-	-	-	360	-	-
Support services	-	500	(30,473)	-	-	465	31
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,428</b>	<b>500</b>	<b>(30,473)</b>	<b>-</b>	<b>360</b>	<b>465</b>	<b>31</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,428)</b>	<b>(500)</b>	<b>41,633</b>	<b>-</b>	<b>(360)</b>	<b>(465)</b>	<b>(31)</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,428)</b>	<b>(500)</b>	<b>41,633</b>	<b>-</b>	<b>(360)</b>	<b>(465)</b>	<b>(31)</b>
Cash and investments - beginning	1,428	500	(36,378)	1,558	360	465	31
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,255</u>	<u>\$ 1,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ 5,255	\$ 1,558	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,255</u>	<u>\$ 1,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	5,255	1,558	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,255</u>	<u>\$ 1,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FLAT ROCK-HAWCREEK 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 I	Title V Part A	Eisenhower Technology Grant	Medicaid Reimbursement Federal	Enhancing Education Through Technology	Pension Bond Debt Service	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,604	\$ 841,414
Intermediate sources	-	-	-	-	-	-	544
State sources	-	-	-	-	-	-	37,990
Federal sources	169,808	-	-	-	-	-	368,198
Temporary loans	-	-	-	-	-	-	252,440
Other	-	-	-	-	-	-	15,139
<b>Total receipts</b>	<b>169,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>196,604</b>	<b>1,515,725</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	146,762	-	-	-	-	-	148,550
Support services	3,161	-	8,140	-	2,433	-	474,744
Noninstructional services	-	-	-	-	-	-	470,101
Facilities acquisition and construction	-	-	-	-	-	-	3,000
Debt services	-	-	-	-	-	250,296	250,296
Nonprogrammed charges	-	-	-	(32,276)	-	-	(32,276)
<b>Total disbursements</b>	<b>149,923</b>	<b>-</b>	<b>8,140</b>	<b>(32,276)</b>	<b>2,433</b>	<b>250,296</b>	<b>1,314,415</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>19,885</b>	<b>-</b>	<b>(8,140)</b>	<b>32,276</b>	<b>(2,433)</b>	<b>(53,692)</b>	<b>201,310</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	382
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>19,885</b>	<b>-</b>	<b>(8,140)</b>	<b>32,276</b>	<b>(2,433)</b>	<b>(53,692)</b>	<b>201,692</b>
Cash and investments - beginning	(18,917)	23,453	8,140	(32,276)	7,830	8,067	(108,339)
Cash and investments - ending	\$ 968	\$ 23,453	\$ -	\$ -	\$ 5,397	\$ (45,625)	\$ 93,353
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 968	\$ 23,453	\$ -	\$ -	\$ 5,397	\$ -	\$ 138,978
Restricted assets:							
Cash and investments	-	-	-	-	-	(45,625)	(45,625)
<b>Total cash and investment assets - ending</b>	<b>\$ 968</b>	<b>\$ 23,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,397</b>	<b>\$ (45,625)</b>	<b>\$ 93,353</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	(45,625)	(45,625)
Unrestricted	968	23,453	-	-	5,397	-	138,978
<b>Total cash and investment fund balance - ending</b>	<b>\$ 968</b>	<b>\$ 23,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,397</b>	<b>\$ (45,625)</b>	<b>\$ 93,353</b>

FLAT ROCK-HAWCREEK 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:		
Hope Elementary	\$ 525,000	\$ 368,370
Renovation of Buildings	19,025,000	1,606,000
Notes and loans payable	404,569	123,121
Tax anticipation warrant	798,284	798,284
Bonds payable:		
General obligation bonds:		
Pension bond	675,000	170,238
Total governmental activities debt	<u>\$ 21,427,853</u>	<u>\$ 3,066,013</u>

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
School Pension Debt	2008	\$ 17,177
Capital Projects	2008	195,314
Capital Projects	2009	280,726
Transportation	2009	52,203

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN FUND BALANCES

The following funds were overdrawn:

<u>Fund</u>	<u>2008</u>	<u>2009</u>
General	\$ (627,051)	\$ (220,678)
Capital Projects	-	(140,075)
Transportation	(91,350)	-
School Lunch	(9,176)	(23,730)
USF Erate Discounts and Refunds	(36,378)	-
Title I	(18,917)	-
Medicaid Reimbursement - Federal	(32,276)	-
Pension Bond Debt Service	-	(45,625)

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)

DEPOSITS - CROSS CLIFF ELEMENTARY, HOPE INTERMEDIATE AND HAUSER JR./SR. HIGH

Textbook Rental Receipts in numerous instances were deposited later than the next business day. A similar comment was in prior Report B31851.

IC 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . ."

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

DEPOSITS - Hauser Jr./Sr. High School

Some receipts for Textbook Rental were written for amounts which could not be verified to bank deposits. Textbook rental deposit slips do not indicate which textbook rental receipts are being deposited at that time, therefore, could not verify what form the funds were deposited. A similar comment was made in prior Report B31851.

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

TIMELY RECORDKEEPING

During the years 2005 and 2006 Title II teachers' salaries of \$38,940 and \$38,589, respectively, were paid out of the General Fund instead of Title II Fund. An entry was made on December 31, 2007, to correct the error. The correction made reduced General Fund teachers' salaries and increased Title II teachers' salaries and caused an understatement of General Fund teachers' salaries and overstatement of Title II teachers' salaries as of June 30, 2008, as reported on Form 9. An audit adjustment was approved by management to report the correction as a transfer in and out in the funds affected.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OFFICIAL BOND

The official bond for the treasurer was not presented for examination for the period February 15, 2009 through June 30, 2009.

The treasurer of the school corporation, and the deputy treasurer if one is appointed, for each school year commencing July 1, shall each give a bond for the faithful performance of duty, written by an insurance company licensed to do business in the State of Indiana, in an amount determined by the governing body. The treasurer shall be responsible under the treasurer's bond for the acts of any deputy treasurer appointed as provided in IC 20-26-4-5. All bonds must be made payable to the State of Indiana, IC 5-4-1-10; and approved by the governing body of the school corporation. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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 . . ."

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

TRANSACTION RECORDING

Three state distributions were incorrectly posted to the wrong fund. All three distributions were posted to Title I when they should have been posted as follows:

10/09/08 \$1,049.34 Non-English Speaking Program  
12/10/08 \$10,132.07 General  
12/15/08 \$11,715.91 General

The Non-English Speaking Program distribution was immaterial to financial statements and was not adjusted.

The two General distributions were properly reported on the Form 9 submitted to Indiana Department of Education, and therefore, properly reported; however, they were not properly posted on the School Corporation's books.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FLAT ROCK-HAWCREEK SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2010, with Dr. Philip K. Deardorff, Superintendent of Schools; Jeffrey A. Cleland, Treasurer; Thomas Miller, President of the School Board; and Gregory Spurling, Vice President of the School Board.