

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

AUDIT REPORT  
OF  
FRANKTON-LAPEL COMMUNITY SCHOOLS  
MADISON COUNTY, INDIANA  
July 1, 2008 to June 30, 2010



**FILED**  
01/14/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lynn Hall	07-01-08 to 06-30-11
Superintendent of Schools	Bobby Fields	07-01-08 to 06-30-11
President of the School Board	Alan Bays Nancy Likens	07-01-08 to 06-30-10 07-01-10 to 06-30-11



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

TO: THE OFFICIALS OF THE FRANKTON-LAPEL COMMUNITY  
SCHOOLS, MADISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Frankton-Lapel Community Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 November 30, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 it.

STATE BOARD OF ACCOUNTS

November 30, 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 FRANKTON-LAPEL COMMUNITY  
SCHOOLS, MADISON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Frankton-Lapel Community Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 30, 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.

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

November 30, 2010

FRANKTON-LAPEL COMMUNITY SCHOOLS  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 8,356,137	\$ -	\$ 101,322	\$ (8,254,815)
Support services	8,733,770	690,410	401,236	(7,642,124)
Noninstructional services	1,409,332	-	-	(1,409,332)
Facilities acquisition and construction	1,191,936	-	-	(1,191,936)
Debt services	11,032,589	-	-	(11,032,589)
Nonprogrammed charges	<u>600,004</u>	<u>-</u>	<u>-</u>	<u>(600,004)</u>
Total governmental activities	<u>\$ 31,323,768</u>	<u>\$ 690,410</u>	<u>\$ 502,558</u>	<u>(30,130,800)</u>
General receipts:				
Property taxes				9,184,961
Other local sources				2,413,986
State aid				10,338,775
Bonds and loans				7,572,532
Grants and contributions not restricted to specific programs				1,550,368
Sale of property				3,970
Investment earnings				43,365
Other				<u>107,219</u>
Total general receipts				<u>31,215,176</u>
Change in net assets				1,084,376
Net assets - beginning				<u>2,822,620</u>
Net assets - ending				<u>\$ 3,906,996</u>
<u>Assets</u>				
Cash and investments				\$ 2,916,111
Restricted assets:				
Cash and investments				<u>990,885</u>
Total assets				<u>\$ 3,906,996</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 51,702
Other purposes				939,183
Unrestricted				<u>2,916,111</u>
Total net assets				<u>\$ 3,906,996</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<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	\$ 9,241,099	\$ -	\$ 66,590	\$ (9,174,509)
Support services	6,752,790	812,510	491,248	(5,449,032)
Noninstructional services	3,654,659	-	-	(3,654,659)
Facilities acquisition and construction	333,501	-	-	(333,501)
Debt services	14,341,039	-	-	(14,341,039)
Nonprogrammed charges	<u>702,592</u>	<u>-</u>	<u>-</u>	<u>(702,592)</u>
Total governmental activities	<u>\$ 35,025,680</u>	<u>\$ 812,510</u>	<u>\$ 557,838</u>	<u>(33,655,332)</u>
General receipts:				
Property taxes				6,245,195
Other local sources				1,779,672
State aid				13,489,190
Bonds and loans				8,107,699
Grants and contributions not restricted to specific programs				1,443,477
Investment earnings				4,522
Other				<u>37,606</u>
Total general receipts				<u>31,107,361</u>
Change in net assets				(2,547,971)
Net assets - beginning				<u>3,906,996</u>
Net assets - ending				<u>\$ 1,359,025</u>
<u>Assets</u>				
Cash and investments				\$ 451,301
Restricted assets:				
Cash and investments				<u>907,724</u>
Total assets				<u>\$ 1,359,025</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,185
Other purposes				906,539
Unrestricted				<u>451,301</u>
Total net assets				<u>\$ 1,359,025</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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	Local Rainy Day	School Lunch	Textbook Rental	Full-Day Kindergarten
<b>Receipts:</b>					
Local sources	\$ 3,673,038	\$ -	\$ 560,894	\$ 270,214	\$ -
Intermediate sources	98	-	-	-	176,689
State sources	10,389,240	-	15,302	44,335	-
Federal sources	-	-	332,388	-	-
Bonds and loans	2,197,959	-	-	-	-
Other	12,641	-	6,068	221	-
<b>Total receipts</b>	<b>16,272,976</b>	<b>-</b>	<b>914,652</b>	<b>314,770</b>	<b>176,689</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	8,947,067	-	-	-	128,308
Support services	4,413,264	-	7,058	332,158	-
Noninstructional services	258,254	-	860,281	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	3,129,524	-	-	-	-
Nonprogrammed charges	594,019	-	1,865	-	-
<b>Total disbursements</b>	<b>17,342,128</b>	<b>-</b>	<b>869,204</b>	<b>332,158</b>	<b>128,308</b>
Excess (deficiency) of receipts over disbursements	(1,069,152)	-	45,448	(17,388)	48,381
<b>Other financing sources (uses):</b>					
Sale of capital assets	293	-	-	-	-
Transfers in	739,000	4,838,000	-	-	-
Transfers out	-	(4,168,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>739,293</b>	<b>670,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(329,859)	670,000	45,448	(17,388)	48,381
Cash and investments - beginning	356,870	412	533,789	256,674	51,468
Cash and investments - ending	<u>\$ 27,011</u>	<u>\$ 670,412</u>	<u>\$ 579,237</u>	<u>\$ 239,286</u>	<u>\$ 99,849</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 receipts and disbursements 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					
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 27,011	\$ 670,412	\$ 579,237	\$ 239,286	\$ 99,849
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 27,011</u></b>	<b><u>\$ 670,412</u></b>	<b><u>\$ 579,237</u></b>	<b><u>\$ 239,286</u></b>	<b><u>\$ 99,849</u></b>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,011	670,412	579,237	239,286	99,849
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 27,011</u></b>	<b><u>\$ 670,412</u></b>	<b><u>\$ 579,237</u></b>	<b><u>\$ 239,286</u></b>	<b><u>\$ 99,849</u></b>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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)

	All-Day Kindergarten	Fiscal Stabilization	Debt Service	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 48,068	\$ -	\$ 3,859,105	\$ 3,514,563	\$ 11,925,882
Intermediate sources	-	-	-	221,595	398,382
State sources	-	-	-	138,248	10,587,125
Federal sources	-	1,138,593	-	333,595	1,804,576
Bonds and loans	-	-	4,424,573	950,000	7,572,532
Other	-	-	-	133,633	152,563
<b>Total receipts</b>	<u>48,068</u>	<u>1,138,593</u>	<u>8,283,678</u>	<u>5,291,634</u>	<u>32,441,060</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	234,027	-	676,116	9,985,518
Support services	-	79,848	14,902	2,277,638	7,124,868
Noninstructional services	150	2,808	-	287,888	1,409,381
Facilities acquisition and construction	-	-	-	1,191,936	1,191,936
Debt services	-	-	6,709,675	1,193,390	11,032,589
Nonprogrammed charges	-	-	-	4,123	600,007
<b>Total disbursements</b>	<u>150</u>	<u>316,683</u>	<u>6,724,577</u>	<u>5,631,091</u>	<u>31,344,299</u>
Excess (deficiency) of receipts over disbursements	<u>47,918</u>	<u>821,910</u>	<u>1,559,101</u>	<u>(339,457)</u>	<u>1,096,761</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	-	3,677	3,970
Transfers in	424,797	-	-	5,833,635	11,835,432
Transfers out	<u>(400,080)</u>	<u>-</u>	<u>(1,509,000)</u>	<u>(5,758,352)</u>	<u>(11,835,432)</u>
<b>Total other financing sources (uses)</b>	<u>24,717</u>	<u>-</u>	<u>(1,509,000)</u>	<u>78,960</u>	<u>3,970</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	72,635	821,910	50,101	(260,497)	1,100,731
Cash and investments - beginning	-	-	817	667,052	1,867,082
Cash and investments - ending	<u>\$ 72,635</u>	<u>\$ 821,910</u>	<u>\$ 50,918</u>	<u>\$ 406,555</u>	<u>2,967,813</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 receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					<u>939,183</u>
Net assets of governmental activities					<u>\$ 3,906,996</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 72,635	\$ 821,910	\$ -	\$ 405,771	\$ 2,916,111
Restricted assets:					
Cash and investments	-	-	50,918	784	51,702
<b>Total cash and investment assets - ending</b>	<u>\$ 72,635</u>	<u>\$ 821,910</u>	<u>\$ 50,918</u>	<u>\$ 406,555</u>	<u>\$ 2,967,813</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 50,918	\$ 784	\$ 51,702
Unrestricted	<u>72,635</u>	<u>821,910</u>	<u>-</u>	<u>405,771</u>	<u>2,916,111</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 72,635</u>	<u>\$ 821,910</u>	<u>\$ 50,918</u>	<u>\$ 406,555</u>	<u>\$ 2,967,813</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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, 2010

	General	Local Rainy Day	School Lunch	Textbook Rental	Full-Day Kindergarten	All-Day Kindergarten
<b>Receipts:</b>						
Local sources	\$ 106,004	\$ -	\$ 612,425	\$ 268,383	\$ -	\$ 171,711
Intermediate sources	-	-	-	-	189,774	-
State sources	13,486,103	-	16,114	56,729	-	-
Federal sources	-	-	410,535	-	-	-
Bonds and loans	8,107,699	-	-	-	-	-
Other	3,393	-	4,643	34	-	130
<b>Total receipts</b>	<u>21,703,199</u>	<u>-</u>	<u>1,043,717</u>	<u>325,146</u>	<u>189,774</u>	<u>171,841</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	8,876,925	443,106	-	-	217,045	81,142
Support services	3,738,598	229,395	5,505	412,690	-	-
Noninstructional services	126,672	20,886	1,005,086	-	-	354
Facilities acquisition and construction	-	226,125	-	-	-	-
Debt services	8,279,973	-	-	-	-	-
Nonprogrammed charges	702,596	-	-	-	-	-
<b>Total disbursements</b>	<u>21,724,764</u>	<u>919,512</u>	<u>1,010,591</u>	<u>412,690</u>	<u>217,045</u>	<u>81,496</u>
Excess (deficiency) of receipts over disbursements	<u>(21,565)</u>	<u>(919,512)</u>	<u>33,126</u>	<u>(87,544)</u>	<u>(27,271)</u>	<u>90,345</u>
<b>Other financing sources (uses):</b>						
Temporary loan	460,000	-	-	-	-	-
Transfers in	4,278,140	5,086,900	-	124,632	-	-
Transfers out	(4,740,988)	(4,837,800)	(600,000)	(111,100)	-	-
<b>Total other financing sources (uses)</b>	<u>(2,848)</u>	<u>249,100</u>	<u>(600,000)</u>	<u>13,532</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(24,413)</u>	<u>(670,412)</u>	<u>(566,874)</u>	<u>(74,012)</u>	<u>(27,271)</u>	<u>90,345</u>
Cash and investments - beginning	<u>27,014</u>	<u>670,412</u>	<u>579,237</u>	<u>239,286</u>	<u>99,849</u>	<u>72,635</u>
Cash and investments - ending	<u>\$ 2,601</u>	<u>\$ -</u>	<u>\$ 12,363</u>	<u>\$ 165,274</u>	<u>\$ 72,578</u>	<u>\$ 162,980</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 receipts and disbursements 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	\$ 2,601	\$ -	\$ 12,363	\$ 165,274	\$ 72,578	\$ 162,980
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 2,601</u>	<u>\$ -</u>	<u>\$ 12,363</u>	<u>\$ 165,274</u>	<u>\$ 72,578</u>	<u>\$ 162,980</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,601	-	12,363	165,274	72,578	162,980
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,601</u>	<u>\$ -</u>	<u>\$ 12,363</u>	<u>\$ 165,274</u>	<u>\$ 72,578</u>	<u>\$ 162,980</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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, 2010  
(Continued)

	Fiscal Stabilization	Title I Stimulus	Debt Service	Other	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ 4,250,545	\$ 3,013,794	\$ 8,422,862
Intermediate sources	-	-	-	228,034	417,808
State sources	-	-	-	357,481	13,916,427
Federal sources	530,494	103,916	-	529,133	1,574,078
Bonds and loans	-	-	-	-	8,107,699
Other	-	-	-	30,305	38,505
<b>Total receipts</b>	<u>530,494</u>	<u>103,916</u>	<u>4,250,545</u>	<u>4,158,747</u>	<u>32,477,379</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	1,055,751	41,952	-	737,437	11,453,358
Support services	287,866	8,391	-	2,531,243	7,213,688
Noninstructional services	8,787	2,002	-	244,739	1,408,526
Facilities acquisition and construction	-	-	-	107,374	333,499
Debt services	-	-	5,806,681	254,385	14,341,039
Nonprogrammed charges	-	-	-	-	702,596
<b>Total disbursements</b>	<u>1,352,404</u>	<u>52,345</u>	<u>5,806,681</u>	<u>3,875,178</u>	<u>35,452,706</u>
Excess (deficiency) of receipts over disbursements	<u>(821,910)</u>	<u>51,571</u>	<u>(1,556,136)</u>	<u>283,569</u>	<u>(2,975,327)</u>
<b>Other financing sources (uses):</b>					
Temporary loan	-	-	-	-	460,000
Transfers in	-	-	5,001,900	4,338,170	18,829,742
Transfers out	-	-	(3,495,900)	(5,043,954)	(18,829,742)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>1,506,000</u>	<u>(705,784)</u>	<u>460,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(821,910)</u>	<u>51,571</u>	<u>(50,136)</u>	<u>(422,215)</u>	<u>(2,515,327)</u>
Cash and investments - beginning	<u>821,910</u>	<u>-</u>	<u>50,918</u>	<u>406,552</u>	<u>2,967,813</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 51,571</u>	<u>\$ 782</u>	<u>\$ (15,663)</u>	<u>452,486</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 receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					<u>906,539</u>
Net assets of governmental activities					<u>\$ 1,359,025</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ 51,571	\$ -	\$ (16,066)	\$ 451,301
Restricted assets:					
Cash and investments	-	-	782	403	1,185
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 51,571</u>	<u>\$ 782</u>	<u>\$ (15,663)</u>	<u>\$ 452,486</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 782	\$ 403	\$ 1,185
Unrestricted	-	51,571	-	(16,066)	451,301
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 51,571</u>	<u>\$ 782</u>	<u>\$ (15,663)</u>	<u>\$ 452,486</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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

	Internal Service Fund
Operating receipts:	
Miscellaneous	\$ 8,458
Employer contributions	<u>1,629,383</u>
Total operating receipts	<u>1,637,841</u>
Operating disbursements:	
Insurance claims and expense	<u>\$ 1,654,196</u>
Deficiency of operating receipts over operating disbursements	(16,355)
Cash and investment fund balance - beginning	<u>955,538</u>
Cash and investment fund balance - ending	<u><u>\$ 939,183</u></u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 939,183</u></u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 939,183</u></u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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, 2010

	<u>Internal Service Fund</u>
Operating receipts:	
Miscellaneous	\$ 1,228
Employer contributions	<u>2,212,260</u>
Total operating receipts	<u>\$ 2,213,488</u>
Operating disbursements:	
Insurance claims and expense	<u>\$ 2,246,132</u>
Deficiency of operating receipts over operating disbursements	(32,644)
Cash and investment fund balance - beginning	<u>939,183</u>
Cash and investment fund balance - ending	<u>\$ 906,539</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 906,539</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 906,539</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ -	\$ 11,745	
Investment earnings:			
Interest	6,858	-	
Total additions	6,858	11,745	
Deductions:			
Benefits	375,116	-	
Administrative and general	-	5,300	
Total deductions	375,116	5,300	
Excess (deficiency) of total additions over total deductions	(368,258)	6,445	
Cash and investment fund balance - beginning	976,064	14,441	
Cash and investment fund balance - ending	\$ 607,806	\$ 20,886	\$ (633)
Net assets:			
Total net assets - cash and investment basis held in trust	\$ 607,806	\$ 20,886	\$ (633)

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ -	\$ 10,240	
Investment earnings:			
Interest	638	-	
Total additions	638	10,240	
Deductions:			
Benefits	140,677	-	
Administrative and general	-	11,800	
Temporary loan	460,000	-	
Total deductions	600,677	11,800	
Excess (deficiency) of total additions over total deductions	(600,039)	(1,560)	
Cash and investment fund balance - beginning	607,806	20,886	
Cash and investment fund balance - ending	\$ 7,767	\$ 19,326	\$ 57,927
Net assets:			
Total net assets - cash and investment basis held in trust	\$ 7,767	\$ 19,326	\$ 57,927

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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: Frankton-Lapel Community Schools

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 Hamilton-Boone-Madison Special Services Cooperative which was created to provide for the special education needs of member schools. The School Corporation is obligated by contract to remit their students' proportional share of cost annually to supplement the joint venture to Carmel-Clay Schools, as administrators. Complete financial statements for the Hamilton-Boone-Madison Special Services Cooperative can be obtained from Carmel-Clay Schools, 5201 East 131st Street, Carmel IN 46033.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 local rainy day fund is to account for funds in accordance with IC 36-.1-8-5 and a locally adopted resolution.

The school lunch fund is used to account for receipts and disbursements for the food service program.

The textbook rental fund is used to account for receipts and disbursements concerning textbooks and workbooks furnished to students.

The full-day kindergarten fund is used to account for the proceeds of a state grant to provide full-day kindergarten to affected students.

The all-day kindergarten fund is used to account for tuition payments made by parents/guardians for the purpose of providing all-day kindergarten to affected students.

The fiscal stabilization fund is used to account for proceeds of a federal grant from the American Recovery and Reinvestment Act of 2009.

The title I stimulus fund is used to account for proceeds of a federal grant from the American Recovery and Reinvestment Act of 2009 to supplement the federal title I program.

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.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for risk financing associated with medical benefits to employees, retirees and dependents (excluding postemployment benefits), all lines aggregate liability insurance, and are provided to other departments on premium charged basis.

The pension trust fund accounts for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

The private-purpose trust funds report a trust arrangement under which principal and income benefit the school corporation.

The agency fund accounts for assets held by the School Corporation as an agent for payroll related withholdings and serves as a control account for certain cash transactions during the time they are a liability to the school corporation; that is from the time they are expensed to the government or withheld from the employee's wages until they are transmitted to the proper payee for the purpose withheld.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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. 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.

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. Taxable property is assessed at 100% of the true tax value (determined in

FRANKTON-LAPEL COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

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 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.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 is reported as transfers in and out.

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.

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 high-way 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.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. At June 30, 2009 and 2010, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2009	2010
Child Care II	\$ -	\$ 29,501
Age Four Preschool	151,203	129,883
LHS Bulldog Statue	5,401	4,632
Special Education Coop II	22,213	-
Tuition	-	1,518
Title I 2008-09	12,611	-
Title II Part A 2009-10	-	7,013
Special Ed Part B Preschool	-	25,203
Special Ed Part B School Age	2,235	-
Clearing Account	633	-

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

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 December 31, 2010, the School Corporation had deposit balances in the amount of \$1,565,217. 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.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Local Rainy Day Fund	\$ -	\$ 724,000
	Textbook Rental Fund	-	98,988
	Debt Service Fund	-	1,077,000
	Other Governmental Funds	-	2,841,000
Local Rainy Day Fund	General Fund	724,000	53,900
	Debt Service Fund	-	3,924,900
	Other Governmental Funds	3,444,000	859,000
School Lunch Fund	Other Governmental Funds	-	600,000
Textbook Rental Fund	General Fund	-	76,100
	Other Governmental Funds	-	35,000
All-Day Kindergarten Fund	Other Governmental Funds	400,080	-
Debt Service Fund	General Fund	-	3,495,900
	Local Rainy Day Fund	1,509,000	-
Other Governmental Funds	General Fund	-	652,240
	Local Rainy Day Fund	3,344,000	4,362,900
	All-Day Kindergarten Fund	424,797	-
	Other Governmental Funds	1,989,555	3,170
	Textbook Rental Fund	-	25,644
Totals		<u>\$ 11,835,432</u>	<u>\$ 18,829,742</u>

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

C. Reclassifications

For the year ended June 30, 2010, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30 2008	Fund Reclassification	Balance as Restated July 1 2008
Governmental funds	\$ 1,771,474	\$ 95,608	\$ 1,867,082
Private-purpose trust funds	110,050	(95,608)	14,442

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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; and natural disasters are covered by commercial insurance from independent third parties.

Medical Benefits to Employees, Retirees, and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. 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 affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into a capital lease with Frankton-Lapel North 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 2009 and 2010 totaled \$1,072,500, and \$1,073,000 respectively.

The School Corporation has entered into a capital lease with Frankton-Lapel South High 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 2009 and 2010 totaled \$3,259,500, and \$3,826,000 respectively.

C. Termination Benefits

The School Corporation provides termination medical benefits to all employees who retire from the School Corporation on or after attaining age 55 with at least ten years of service. The School Corporation provides various amounts toward these termination benefits based on the year one retires and the agreement in place at that time. Currently, 13 retirees meet eligibility requirements. Disbursements for termination benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2010, disbursements of \$71,405 were recognized for termination benefits.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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

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 \$337,950.

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.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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 \$660,089.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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 Operating	Pre-School Special Education	Levy Excess	Child Care I	Safe Haven 2007-08	Early Intervention	Elementary Library Gift
<b>Receipts:</b>							
Local sources	\$ 1,370,387	\$ 10,022	\$ -	\$ 99,352	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	46,949	-	-	-
State sources	-	75,555	-	-	-	2,000	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	800,000	-	-	-	-	-	-
Other	450	-	-	367	561	-	-
<b>Total receipts</b>	<b>2,170,837</b>	<b>85,577</b>	<b>-</b>	<b>146,668</b>	<b>561</b>	<b>2,000</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	72,905	-	-	-	-	492
Support services	1,300,503	-	-	-	-	-	-
Noninstructional services	-	-	-	192,354	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	800,000	-	-	-	-	-	-
Nonprogrammed charges	2,684	-	-	260	-	-	-
<b>Total disbursements</b>	<b>2,103,187</b>	<b>72,905</b>	<b>-</b>	<b>192,614</b>	<b>-</b>	<b>-</b>	<b>492</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>67,650</b>	<b>12,672</b>	<b>-</b>	<b>(45,946)</b>	<b>561</b>	<b>2,000</b>	<b>(492)</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	3,677	-	-	-	-	-	-
Transfers in	696,000	-	-	1,438,310	-	-	-
Transfers out	(770,000)	-	-	(1,376,122)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(70,323)</b>	<b>-</b>	<b>-</b>	<b>62,188</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(2,673)</b>	<b>12,672</b>	<b>-</b>	<b>16,242</b>	<b>561</b>	<b>2,000</b>	<b>(492)</b>
Cash and investments - beginning	3,260	42,772	176,659	(16,242)	(561)	-	1,000
Cash and investments - ending	\$ 587	\$ 55,444	\$ 176,659	\$ -	\$ -	\$ 2,000	\$ 508
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 587	\$ 55,444	\$ 176,659	\$ -	\$ -	\$ 2,000	\$ 508
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 587</b>	<b>\$ 55,444</b>	<b>\$ 176,659</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 508</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	587	55,444	176,659	-	-	2,000	508
<b>Total cash and investment fund balance - ending</b>	<b>\$ 587</b>	<b>\$ 55,444</b>	<b>\$ 176,659</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 508</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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)

	Charley's Fund for Children	Child Care II	Age Four Preschool	Disaster Related Expenses	LHS Bulldog Statue	Pepsi	Tuition
<b>Receipts:</b>							
Local sources	\$ -	\$ 26,882	\$ -	\$ -	\$ -	\$ -	\$ 72,453
Intermediate sources	-	-	50,773	-	930	27,100	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	1,875	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	15	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>26,897</b>	<b>50,773</b>	<b>1,875</b>	<b>930</b>	<b>27,100</b>	<b>72,453</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,000	-	-	-	-	-	113,983
Support services	-	-	-	-	669	25,792	3,379
Noninstructional services	-	31,844	61,914	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,000</b>	<b>31,844</b>	<b>61,914</b>	<b>-</b>	<b>669</b>	<b>25,792</b>	<b>117,362</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,000)</b>	<b>(4,947)</b>	<b>(11,141)</b>	<b>1,875</b>	<b>261</b>	<b>1,308</b>	<b>(44,909)</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	857,279	94,046	-	-	-	-
Transfers out	-	(804,122)	(234,108)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>53,157</b>	<b>(140,062)</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>(1,000)</b>	<b>48,210</b>	<b>(151,203)</b>	<b>1,875</b>	<b>261</b>	<b>1,308</b>	<b>(44,909)</b>
Cash and investments - beginning	1,000	-	-	-	(5,662)	2,391	63,603
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 48,210</b>	<b>\$ (151,203)</b>	<b>\$ 1,875</b>	<b>\$ (5,401)</b>	<b>\$ 3,699</b>	<b>\$ 18,694</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ 48,210	\$ (151,203)	\$ 1,875	\$ (5,401)	\$ 3,699	\$ 18,694
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 48,210</b>	<b>\$ (151,203)</b>	<b>\$ 1,875</b>	<b>\$ (5,401)</b>	<b>\$ 3,699</b>	<b>\$ 18,694</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	48,210	(151,203)	1,875	(5,401)	3,699	18,694
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 48,210</b>	<b>\$ (151,203)</b>	<b>\$ 1,875</b>	<b>\$ (5,401)</b>	<b>\$ 3,699</b>	<b>\$ 18,694</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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)

	Lapel Land Building Corp.	2004-05 Indiana Next Grant	High Ability 2008-09	Gifted Talented 2006-07	High Ability 2007-08	Summer School
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	35,808	-	-	3,944
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	11,970
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>35,808</b>	<b>-</b>	<b>-</b>	<b>15,914</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	34,420	3,248	28,357	2,948
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	33,825	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>33,825</b>	<b>-</b>	<b>34,420</b>	<b>3,248</b>	<b>28,357</b>	<b>2,948</b>
Excess (deficiency) of receipts over disbursements	(33,825)	-	1,388	(3,248)	(28,357)	12,966
<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	(33,825)	-	1,388	(3,248)	(28,357)	12,966
Cash and investments - beginning	35,668	251	-	3,248	28,357	(9,769)
Cash and investments - ending	\$ 1,843	\$ 251	\$ 1,388	\$ -	\$ -	\$ 3,197
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,843	\$ 251	\$ 1,388	\$ -	\$ -	\$ 3,197
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,843</b>	<b>\$ 251</b>	<b>\$ 1,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,197</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,843	251	1,388	-	-	3,197
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,843</b>	<b>\$ 251</b>	<b>\$ 1,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,197</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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)

	Damage Accidents Insurance	Special Education Coop	Special Education Coop II	Non-English Speaking Program	Technology Planning 2007-08	IN Access High School
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	61,909	33,934	-	-	-
State sources	-	-	-	-	-	2,500
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>61,909</b>	<b>33,934</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	55,394	-	-	-
Support services	32,711	-	-	1,298	13,527	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>32,711</b>	<b>-</b>	<b>55,394</b>	<b>1,298</b>	<b>13,527</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(32,711)</b>	<b>61,909</b>	<b>(21,460)</b>	<b>(1,298)</b>	<b>(13,527)</b>	<b>2,500</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>(32,711)</b>	<b>61,909</b>	<b>(21,460)</b>	<b>(1,298)</b>	<b>(13,527)</b>	<b>2,500</b>
Cash and investments - beginning	34,487	(25,095)	(753)	1,298	13,527	2,500
Cash and investments - ending	<u>\$ 1,776</u>	<u>\$ 36,814</u>	<u>\$ (22,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,776	\$ 36,814	\$ (22,213)	\$ -	\$ -	\$ 5,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,776</u>	<u>\$ 36,814</u>	<u>\$ (22,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,776	36,814	(22,213)	-	-	5,000
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,776</u>	<u>\$ 36,814</u>	<u>\$ (22,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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)

	Technology E-Rates	Mentor Program	GQE Remediation	CAPE Jump Start Grant	School Improvement 2007-08	Title I 2008-09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	7,337	-	11,104	-	-	-
Federal sources	-	-	-	-	-	247,183
Temporary loans	-	-	-	-	-	-
Other	36,801	7,907	-	-	-	-
<b>Total receipts</b>	<b>44,138</b>	<b>7,907</b>	<b>11,104</b>	<b>4,000</b>	<b>-</b>	<b>247,183</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	3,327	13,240	253,598
Support services	-	-	-	673	-	5,357
Noninstructional services	-	-	-	-	-	839
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>13,240</b>	<b>259,794</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>44,138</b>	<b>7,907</b>	<b>11,104</b>	<b>-</b>	<b>(13,240)</b>	<b>(12,611)</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>44,138</b>	<b>7,907</b>	<b>11,104</b>	<b>-</b>	<b>(13,240)</b>	<b>(12,611)</b>
Cash and investments - beginning	-	(7,907)	-	-	13,240	-
<b>Cash and investments - ending</b>	<b>\$ 44,138</b>	<b>\$ -</b>	<b>\$ 11,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,611)</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 44,138	\$ -	\$ 11,104	\$ -	\$ -	\$ (12,611)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 44,138</b>	<b>\$ -</b>	<b>\$ 11,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,611)</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	44,138	-	11,104	-	-	(12,611)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 44,138</b>	<b>\$ -</b>	<b>\$ 11,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,611)</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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 2007-08	Title V Part A 2009-10	Title IV Part A 2007-08	Title IV Part A 2008-09	Title II Part A 2007-08	Title II Part A 2008-09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	20,000	1,368	-	6,083	-	57,086
Temporary loans	-	-	-	-	-	-
Other	-	-	1,260	-	-	-
<b>Total receipts</b>	<b>20,000</b>	<b>1,368</b>	<b>1,260</b>	<b>6,083</b>	<b>-</b>	<b>57,086</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	38,016	-	-	5,568	3,473	42,607
Support services	20,860	-	-	-	-	-
Noninstructional services	937	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>59,813</b>	<b>-</b>	<b>-</b>	<b>5,568</b>	<b>3,473</b>	<b>42,607</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(39,813)</b>	<b>1,368</b>	<b>1,260</b>	<b>515</b>	<b>(3,473)</b>	<b>14,479</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>(39,813)</b>	<b>1,368</b>	<b>1,260</b>	<b>515</b>	<b>(3,473)</b>	<b>14,479</b>
Cash and investments - beginning	39,813	-	(1,260)	-	3,473	-
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 1,368</b>	<b>\$ -</b>	<b>\$ 515</b>	<b>\$ -</b>	<b>\$ 14,479</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 1,368	\$ -	\$ 515	\$ -	\$ 14,479
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,368</b>	<b>\$ -</b>	<b>\$ 515</b>	<b>\$ -</b>	<b>\$ 14,479</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,368	-	515	-	14,479
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,368</b>	<b>\$ -</b>	<b>\$ 515</b>	<b>\$ -</b>	<b>\$ 14,479</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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)

	Special Ed Part B School Age	Pension Bond Debt Service	Capital Projects	Transportation Bus Replacement	Construction	Totals
<b>Receipts:</b>						
Local sources	\$ 1,305	\$ 244,987	\$ 1,655,284	\$ 27,840	\$ 2,051	\$ 3,514,563
Intermediate sources	-	-	-	-	-	221,595
State sources	-	-	-	-	-	138,248
Federal sources	-	-	-	-	-	333,595
Temporary loans	-	150,000	-	-	-	950,000
Other	-	-	-	74,302	-	133,633
<b>Total receipts</b>	<b>1,305</b>	<b>394,987</b>	<b>1,655,284</b>	<b>102,142</b>	<b>2,051</b>	<b>5,291,634</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,540	-	-	-	-	676,116
Support services	-	-	761,073	111,796	-	2,277,638
Noninstructional services	-	-	-	-	-	287,888
Facilities acquisition and construction	-	-	1,077,477	-	80,634	1,191,936
Debt services	-	393,390	-	-	-	1,193,390
Nonprogrammed charges	-	-	1,179	-	-	4,123
<b>Total disbursements</b>	<b>3,540</b>	<b>393,390</b>	<b>1,839,729</b>	<b>111,796</b>	<b>80,634</b>	<b>5,631,091</b>
Excess (deficiency) of receipts over disbursements	(2,235)	1,597	(184,445)	(9,654)	(78,583)	(339,457)
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	3,677
Transfers in	-	123,000	2,625,000	-	-	5,833,635
Transfers out	-	(124,000)	(2,450,000)	-	-	(5,758,352)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,000)</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>78,960</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,235)	597	(9,445)	(9,654)	(78,583)	(260,497)
Cash and investments - beginning	-	187	9,710	179,274	78,583	667,052
Cash and investments - ending	\$ (2,235)	\$ 784	\$ 265	\$ 169,620	\$ -	\$ 406,555
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ (2,235)	\$ -	\$ 265	\$ 169,620	\$ -	\$ 405,771
Restricted assets:						
Cash and investments	-	784	-	-	-	784
<b>Total cash and investment assets - ending</b>	<b>\$ (2,235)</b>	<b>\$ 784</b>	<b>\$ 265</b>	<b>\$ 169,620</b>	<b>\$ -</b>	<b>\$ 406,555</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ 784	\$ -	\$ -	\$ -	\$ 784
Unrestricted	(2,235)	-	265	169,620	-	405,771
<b>Total cash and investment fund balance - ending</b>	<b>\$ (2,235)</b>	<b>\$ 784</b>	<b>\$ 265</b>	<b>\$ 169,620</b>	<b>\$ -</b>	<b>\$ 406,555</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010

	Transportation Operating	Pre-School Special Education	Levy Excess	Early Intervention	School Intervention/ Counseling	Lapel Elementary Music	LES Technology
Receipts:							
Local sources	\$ 1,326,625	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 9,504
Intermediate sources	-	-	-	-	-	-	-
State sources	-	35,750	-	800	15,000	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	510	-	26,262	-	-	-	-
<b>Total receipts</b>	<b>1,327,135</b>	<b>35,750</b>	<b>26,262</b>	<b>800</b>	<b>15,000</b>	<b>3,000</b>	<b>9,504</b>
Disbursements:							
Current:							
Instruction	-	37,713	-	-	-	3,000	-
Support services	1,266,198	-	-	2,800	13,525	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,266,198</b>	<b>37,713</b>	<b>-</b>	<b>2,800</b>	<b>13,525</b>	<b>3,000</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	60,937	(1,963)	26,262	(2,000)	1,475	-	9,504
Other financing sources (uses):							
Transfers in	1,863,000	-	-	-	-	-	-
Transfers out	(1,924,000)	(53,481)	(176,659)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(61,000)</b>	<b>(53,481)</b>	<b>(176,659)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(63)	(55,444)	(150,397)	(2,000)	1,475	-	9,504
Cash and investments - beginning	587	55,444	176,659	2,000	-	-	-
<b>Cash and investments - ending</b>	<b>\$ 524</b>	<b>\$ -</b>	<b>\$ 26,262</b>	<b>\$ -</b>	<b>\$ 1,475</b>	<b>\$ -</b>	<b>\$ 9,504</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 524	\$ -	\$ 26,262	\$ -	\$ 1,475	\$ -	\$ 9,504
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 524</b>	<b>\$ -</b>	<b>\$ 26,262</b>	<b>\$ -</b>	<b>\$ 1,475</b>	<b>\$ -</b>	<b>\$ 9,504</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	524	-	26,262	-	1,475	-	9,504
<b>Total cash and investment fund balance - ending</b>	<b>\$ 524</b>	<b>\$ -</b>	<b>\$ 26,262</b>	<b>\$ -</b>	<b>\$ 1,475</b>	<b>\$ -</b>	<b>\$ 9,504</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010  
 (Continued)

	LES Grade 1	LMS Library Grant	LMS Library	LHS Band	Elementary Library Gift	Child Care II	Age Four Preschool
<b>Receipts:</b>							
Local sources	\$ 1,923	\$ 700	\$ 5,000	\$ 10,000	\$ -	\$ 95,848	\$ -
Intermediate sources	-	-	-	-	-	-	91,421
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	587	-
<b>Total receipts</b>	<b>1,923</b>	<b>700</b>	<b>5,000</b>	<b>10,000</b>	<b>-</b>	<b>96,435</b>	<b>91,421</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	10,000	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	174,146	70,100
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>174,146</b>	<b>70,100</b>
Excess (deficiency) of receipts over disbursements	1,923	700	5,000	-	-	(77,711)	21,321
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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	1,923	700	5,000	-	-	(77,711)	21,321
Cash and investments - beginning	-	-	-	-	508	48,210	(151,204)
<b>Cash and investments - ending</b>	<b>\$ 1,923</b>	<b>\$ 700</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ 508</b>	<b>\$ (29,501)</b>	<b>\$ (129,883)</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 1,923	\$ 700	\$ 5,000	\$ -	\$ 508	\$ (29,501)	\$ (129,883)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,923</b>	<b>\$ 700</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ 508</b>	<b>\$ (29,501)</b>	<b>\$ (129,883)</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,923	700	5,000	-	508	(29,501)	(129,883)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,923</b>	<b>\$ 700</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ 508</b>	<b>\$ (29,501)</b>	<b>\$ (129,883)</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010  
 (Continued)

	ISTEP	Disaster Related Expense	LHS Bulldog Statue	Pepsi	Tuition	Lapel Land Building Corp.	2004-05 Indiana Next Grant
<b>Receipts:</b>							
Local sources	\$ 1,200	\$ -	\$ -	\$ -	\$ 6,978	\$ -	\$ -
Intermediate sources	-	-	1,065	11,215	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	44	-	-
<b>Total receipts</b>	<b>1,200</b>	<b>-</b>	<b>1,065</b>	<b>11,215</b>	<b>7,022</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	13,772	-	-
Support services	-	-	296	11,955	13,460	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	480	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>296</b>	<b>11,955</b>	<b>27,232</b>	<b>480</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	1,200	-	769	(740)	(20,210)	(480)	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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	1,200	-	769	(740)	(20,210)	(480)	-
Cash and investments - beginning	-	1,875	(5,401)	3,699	18,692	1,843	251
Cash and investments - ending	\$ 1,200	\$ 1,875	\$ (4,632)	\$ 2,959	\$ (1,518)	\$ 1,363	\$ 251
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 1,200	\$ 1,875	\$ (4,632)	\$ 2,959	\$ (1,518)	\$ 1,363	\$ 251
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,200</b>	<b>\$ 1,875</b>	<b>\$ (4,632)</b>	<b>\$ 2,959</b>	<b>\$ (1,518)</b>	<b>\$ 1,363</b>	<b>\$ 251</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,200	1,875	(4,632)	2,959	(1,518)	1,363	251
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,200</b>	<b>\$ 1,875</b>	<b>\$ (4,632)</b>	<b>\$ 2,959</b>	<b>\$ (1,518)</b>	<b>\$ 1,363</b>	<b>\$ 251</b>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010  
 (Continued)

	High Ability 2009-10	High Ability 2008-09	Summer School	Damage Accidents Insurance	Special Education Coop	Special Education Coop II	Non-English Speaking Program
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	30,475	-	93,543	-
State sources	36,029	-	9,336	-	-	-	952
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<u>36,029</u>	<u>-</u>	<u>9,336</u>	<u>30,475</u>	<u>-</u>	<u>93,543</u>	<u>952</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	36,029	1,388	4,802	-	31,923	71,330	-
Support services	-	-	-	6,178	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<u>36,029</u>	<u>1,388</u>	<u>4,802</u>	<u>6,178</u>	<u>31,923</u>	<u>71,330</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,388)</u>	<u>4,534</u>	<u>24,297</u>	<u>(31,923)</u>	<u>22,213</u>	<u>952</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(1,388)</u>	<u>4,534</u>	<u>24,297</u>	<u>(31,923)</u>	<u>22,213</u>	<u>952</u>
Cash and investments - beginning	<u>-</u>	<u>1,388</u>	<u>3,197</u>	<u>1,776</u>	<u>36,814</u>	<u>(22,213)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,731</u>	<u>\$ 26,073</u>	<u>\$ 4,891</u>	<u>\$ -</u>	<u>\$ 952</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ 7,731	\$ 26,073	\$ 4,891	\$ -	\$ 952
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,731</u>	<u>\$ 26,073</u>	<u>\$ 4,891</u>	<u>\$ -</u>	<u>\$ 952</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>-</u>	<u>7,731</u>	<u>26,073</u>	<u>4,891</u>	<u>-</u>	<u>952</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,731</u>	<u>\$ 26,073</u>	<u>\$ 4,891</u>	<u>\$ -</u>	<u>\$ 952</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010  
 (Continued)

	IN Access High School	Technology Advancement	Technology E-Rates	GQE Remediation	Testing/ Instructional Assistants	Title I 2008-09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	315	-
State sources	-	228,385	7,870	23,359	-	-
Federal sources	-	-	-	-	-	15,781
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>228,385</b>	<b>7,870</b>	<b>23,359</b>	<b>315</b>	<b>15,781</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	151	-	-
Support services	-	228,370	52,008	-	270	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>228,370</b>	<b>52,008</b>	<b>151</b>	<b>270</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	15	(44,138)	23,208	45	15,781
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(3,170)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,170)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	15	(44,138)	23,208	45	12,611
Cash and investments - beginning	5,000	-	44,138	11,104	-	(12,611)
Cash and investments - ending	<u>\$ 5,000</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 34,312</u>	<u>\$ 45</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 5,000	\$ 15	\$ -	\$ 34,312	\$ 45	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 5,000</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 34,312</u>	<u>\$ 45</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,000	15	-	34,312	45	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 5,000</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 34,312</u>	<u>\$ 45</u>	<u>\$ -</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010  
 (Continued)

	Title I 2009-10	Title V Part A 2009-10	Title IV Part A 2009-10	Title IV Part A 2008-09	Title II Part A 2008-09	Title II Part A 2009-10
<b>Receipts:</b>						
Local sources	\$ 297	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	273,805	-	7,390	-	14,271	70,130
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>274,102</b>	<b>-</b>	<b>7,390</b>	<b>-</b>	<b>14,271</b>	<b>70,130</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	246,516	1,368	7,390	515	28,750	77,143
Support services	7,876	-	-	-	-	-
Noninstructional services	493	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>254,885</b>	<b>1,368</b>	<b>7,390</b>	<b>515</b>	<b>28,750</b>	<b>77,143</b>
Excess (deficiency) of receipts over disbursements	19,217	(1,368)	-	(515)	(14,479)	(7,013)
<b>Other financing sources (uses):</b>						
Transfers in	3,170	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,170</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	22,387	(1,368)	-	(515)	(14,479)	(7,013)
Cash and investments - beginning	-	1,368	-	515	14,479	-
Cash and investments - ending	<u>\$ 22,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,013)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 22,387	\$ -	\$ -	\$ -	\$ -	\$ (7,013)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 22,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,013)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,387	-	-	-	-	(7,013)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 22,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,013)</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 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, 2010  
 (Continued)

	Special Ed Part B School Age	Special Ed Part B Preschool	Pension Bond Debt Service	Capital Projects	Transportation Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 241,004	\$ 1,307,864	\$ 3,851	\$ 3,013,794
Intermediate sources	-	-	-	-	-	228,034
State sources	-	-	-	-	-	357,481
Federal sources	134,124	13,632	-	-	-	529,133
Interfund loans	-	-	-	-	-	-
Other	-	-	-	172	2,730	30,305
<b>Total receipts</b>	<b>134,124</b>	<b>13,632</b>	<b>241,004</b>	<b>1,308,036</b>	<b>6,581</b>	<b>4,158,747</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	126,812	38,835	-	-	-	737,437
Support services	843	-	-	773,349	154,115	2,531,243
Noninstructional services	-	-	-	-	-	244,739
Facilities acquisition and construction	-	-	-	106,894	-	107,374
Debt services	-	-	254,385	-	-	254,385
<b>Total disbursements</b>	<b>127,655</b>	<b>38,835</b>	<b>254,385</b>	<b>880,243</b>	<b>154,115</b>	<b>3,875,178</b>
Excess (deficiency) of receipts over disbursements	6,469	(25,203)	(13,381)	427,793	(147,534)	283,569
<b>Other financing sources (uses):</b>						
Transfers in	-	-	381,000	2,091,000	-	4,338,170
Transfers out	-	-	(368,000)	(2,518,644)	-	(5,043,954)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>13,000</b>	<b>(427,644)</b>	<b>-</b>	<b>(705,784)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,469	(25,203)	(381)	149	(147,534)	(422,215)
Cash and investments - beginning	(2,235)	-	784	265	169,620	406,552
Cash and investments - ending	<u>\$ 4,234</u>	<u>\$ (25,203)</u>	<u>\$ 403</u>	<u>\$ 414</u>	<u>\$ 22,086</u>	<u>\$ (15,663)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 4,234	\$ (25,203)	\$ -	\$ 414	\$ 22,086	\$ (16,066)
Restricted assets:						
Cash and investments	-	-	403	-	-	403
<b>Total cash and investment assets - ending</b>	<u>\$ 4,234</u>	<u>\$ (25,203)</u>	<u>\$ 403</u>	<u>\$ 414</u>	<u>\$ 22,086</u>	<u>\$ (15,663)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 403	\$ -	\$ -	\$ 403
Unrestricted	4,234	(25,203)	-	414	22,086	(16,066)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,234</u>	<u>\$ (25,203)</u>	<u>\$ 403</u>	<u>\$ 414</u>	<u>\$ 22,086</u>	<u>\$ (15,663)</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009

	<u>Dickinson Scholarship FJSHS</u>	<u>Copeland Reading Scholarship</u>	<u>Anderson Huffman Scholarship</u>	<u>LHS Music Scholarship</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ 245	\$ 10,000	\$ 1,500	\$ 11,745
Deductions:					
Administrative and general	-	301	5,000	-	5,301
Excess (deficiency) of total additions over total deductions	-	(56)	5,000	1,500	6,444
Cash and investment fund balance - beginning	<u>7,461</u>	<u>1,981</u>	<u>5,000</u>	<u>-</u>	<u>14,442</u>
Cash and investments - ending	<u>\$ 7,461</u>	<u>\$ 1,925</u>	<u>\$ 10,000</u>	<u>\$ 1,500</u>	<u>\$ 20,886</u>
Net assets:					
Total net assets - cash and investment basis held in trust	<u>\$ 7,461</u>	<u>\$ 1,925</u>	<u>\$ 10,000</u>	<u>\$ 1,500</u>	<u>\$ 20,886</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2010

	Dickinson Scholarship FJSHS	Copeland Reading Scholarship	Anderson Huffman Scholarship	LHS Music Scholarship	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 240	\$ 10,000	\$ -	\$ 10,240
Deductions:					
Administrative and general	-	300	10,000	1,500	11,800
Excess (deficiency) of total additions over total deductions	-	(60)	-	(1,500)	(1,560)
Cash and investment fund balance - beginning	7,461	1,925	10,000	1,500	20,886
Cash and investments - ending	<u>\$ 7,461</u>	<u>\$ 1,865</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 19,326</u>
Net assets:					
Total net assets - cash and investment basis held in trust	<u>\$ 7,461</u>	<u>\$ 1,865</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 19,326</u>

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUND  
 For the Year Ended June 30, 2009

	Clearing Account
Additions:	
Agency fund additions	\$ 3,187,380
Deductions:	
Agency fund deductions	3,184,384
Excess (deficiency) of total additions over total deductions	2,996
Cash and investment fund balance - beginning	(3,629)
Cash and investment fund balance - ending	\$ (633)

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUND  
 For the Year Ended June 30, 2010

	Clearing Account
Additions:	
Agency fund additions	\$ 3,323,536
Deductions:	
Agency fund deductions	3,264,976
Excess (deficiency) of total additions over total deductions	58,560
Cash and investment fund balance - beginning	(633)
Cash and investment fund balance - ending	\$ 57,927

FRANKTON-LAPEL COMMUNITY SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

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 buildings	\$ 47,778,492	\$ 4,409,500
Heating/cooling system	531,580	224,161
Notes and loans payable	110,038	45,005
Bonds payable:		
General obligation bonds:		
Pension/severance	585,000	253,373
Total governmental activities debt	\$ 49,005,110	\$ 4,932,039

FRANKTON-LAPEL COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at June 30, 2009: Age Four Preschool Fund, LHS Bulldog Statue Fund, Special Education Coop II Fund, Title I 2008-09, Special Ed Part B School Age Fund, and Clearing Account Fund.

The cash balances of the following funds were overdrawn at June 30, 2010: Child Care II Fund, Age Four Preschool Fund, LHS Bulldog Statue Fund, Tuition, Title II Part A 2009-10 Fund, and Special Ed Part B Preschool Fund.

A similar comment appeared in the prior Report B34466.

The cash 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)

DISBURSEMENT DOCUMENTATION

We identified a lack of supporting documentation on four credit card claims. Meals were purchased in two instances with no documentation as to the business purpose. A similar comment appeared in prior reports, most recently Report B34466.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FORM 100R NOT FILED

Officials presented a file containing Form 100R information for the calendar year 2010. However, there was no evidence the Report was filed with the State Board of Accounts.

IC 5-11-13-1 states:

"Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, 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 business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, 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. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year."

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 FRANKTON-LAPEL COMMUNITY  
SCHOOLS, MADISON COUNTY, INDIANA

Compliance

We have audited the compliance of the Frankton-Lapel Community Schools (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, 2009 and 2010. 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, 2009 and 2010.

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 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.

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)

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

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

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

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

STATE BOARD OF ACCOUNTS

November 30, 2010

FRANKTON-LAPEL COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program FY 2008/2009	10.553	09-5245	\$ 40,092	\$ -
FY 2009/2010		10-5245	-	55,631
National School Lunch Program FY 2008/2009	10.555	09-5245	371,579	-
FY 2009/2010		10-5245	-	431,557
Total for federal grantor agency			<u>411,671</u>	<u>487,188</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010			
		08-5245	59,812	-
		09-5245	259,794	-
		10-5245	-	254,885
ARRA - Title I Grants to Local Educational Agencies	84.389			
		10-5245	-	52,345
Total for cluster			<u>319,606</u>	<u>307,230</u>
Pass-Through Carmel - Clay Schools Special Education Cluster ARRA - Special Education - Grants to States	84.391	33310-025-SN01	3,540	127,655
ARRA - Special Education - Preschool Grants	84.392	44410-025-SN01	-	38,835
Total for cluster			<u>3,540</u>	<u>166,490</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		5245-08	5,568	-
		5245-09	-	7,905
Total for program			<u>5,568</u>	<u>7,905</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		5245-10	-	1,368
Total for program			<u>-</u>	<u>1,368</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		5245-08	3,473	-
		5245-09	42,607	28,750
		5245-10	-	77,143
Total for program			<u>46,080</u>	<u>105,893</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394			
		100648393	316,683	1,352,404
Total for cluster			<u>316,683</u>	<u>1,352,404</u>
Total for federal grantor agency			<u>691,477</u>	<u>1,941,290</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) PW 1193	97.036			
		095-U95HD-00	1,875	-
Total for program			<u>1,875</u>	<u>-</u>
Total federal awards expended			<u>\$ 1,105,023</u>	<u>\$ 2,428,478</u>

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

FRANKTON-LAPEL COMMUNITY SCHOOLS  
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 Frankton-Lapel Community Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	\$ 7,620	\$ 8,875
National School Lunch Program	10.555	70,388	69,052

FRANKTON-LAPEL COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Title I, Part A Cluster
	Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

FRANKTON-LAPEL COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2010, with Bobby Fields, Superintendent of Schools; Sterling Boles, Assistant Superintendent of Schools; Lynn Hall, Treasurer; Michael Hardacre, School Corporation Attorney; and Joseph Kelich, School Board member. The officials concurred with our audit findings.