

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

AUDIT REPORT  
OF  
KNOX COMMUNITY SCHOOL CORPORATION  
STARKE COUNTY, INDIANA  
July 1, 2008 to June 30, 2010



**FILED**  
01/31/2011



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
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 .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-35
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds .....	36-40
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds .....	41-42
Schedule of Capital Assets.....	43
Schedule of Long-Term Debt .....	44
Audit Results and Comments:	
Segregation of Duties – Internal Controls Over Financial Transactions and Reporting.....	45
Condition of Records .....	45
Fund Sources and Uses .....	45
Disbursement Documentation .....	45-46
Repayments and Transfers .....	46
Policies and Procedures.....	47
Supplemental Audit of Federal Awards:	
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.....	50-51
Schedule of Expenditures of Federal Awards .....	52
Notes to Schedule of Expenditures of Federal Awards.....	53
Schedule of Findings and Questioned Costs .....	54-57
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings .....	58
Corrective Action Plan.....	59-60
Exit Conference.....	61

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry Sue Fort	07-01-08 to 06-30-11
Superintendent of Schools	Kimberly Knott	07-01-08 to 07-16-08
	Vacant	07-17-08 to 07-23-08
	Jacqueline Berry (Interim)	07-24-08 to 06-30-09
	A.J. Gappa	07-01-09 to 06-30-12
President of the School Board	Linda Belork	01-01-08 to 12-31-08
	Michael Yankauskas	01-01-09 to 12-31-09
	Gary Dulin	01-01-10 to 12-31-10
	Harold Welter	01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF THE KNOX COMMUNITY SCHOOL  
CORPORATION, STARKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Knox Community School Corporation (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 December 6, 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, Schedule of Contributions From the Employer and Other Contributing Entities, Budgetary Comparison Schedules or the Schedule of Funding Progress that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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

STATE BOARD OF ACCOUNTS

December 6, 2010



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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 KNOX COMMUNITY SCHOOL  
CORPORATION, STARKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Knox Community School Corporation (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 December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2010-1 to be a material weakness.

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.

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

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

December 6, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<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	\$ 8,320,353	\$ -	\$ 221,844	\$ (8,098,509)
Support services	5,880,748	343,046	737,921	(4,799,781)
Noninstructional services	1,106,888	-	-	(1,106,888)
Facilities acquisition and construction	240,591	-	-	(240,591)
Debt service	3,037,035	-	-	(3,037,035)
Nonprogrammed charges	1,160,668	-	-	(1,160,668)
<b>Total governmental activities</b>	<b><u>\$ 19,746,283</u></b>	<b><u>\$ 343,046</u></b>	<b><u>\$ 959,765</u></b>	<b><u>(18,443,472)</u></b>
General receipts:				
Property taxes				7,814,171
Other local sources				1,365,787
State aid				9,653,664
Grants and contributions not restricted to specific programs				2,047,418
Investment earnings				35,764
Other				<u>149,883</u>
<b>Total general receipts</b>				<b><u>21,066,687</u></b>
Change in net assets				2,623,215
Net assets - beginning				<u>2,737,674</u>
Net assets - ending				<b><u>\$ 5,360,889</u></b>
<b><u>Assets</u></b>				
Cash and investments				\$ 5,042,544
Restricted assets:				
Cash and investments				<u>318,345</u>
<b>Total assets</b>				<b><u>\$ 5,360,889</u></b>
<b><u>Net Assets</u></b>				
Restricted for:				
Debt service				\$ 318,345
Unrestricted				<u>5,042,544</u>
<b>Total net assets</b>				<b><u>\$ 5,360,889</u></b>

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

KNOX COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 8,682,900	\$ -	\$ 239,900	\$ (8,443,000)
Support services	6,410,084	306,991	844,120	(5,258,973)
Noninstructional services	1,200,100	-	-	(1,200,100)
Facilities acquisition and construction	272,442	-	-	(272,442)
Debt service	2,710,455	-	-	(2,710,455)
Nonprogrammed charges	1,207,826	-	-	(1,207,826)
<b>Total governmental activities</b>	<b><u>\$ 20,483,807</u></b>	<b><u>\$ 306,991</u></b>	<b><u>\$ 1,084,020</u></b>	<b><u>(19,092,796)</u></b>
General receipts:				
Property taxes				6,701,834
Other local sources				1,199,321
State aid				11,902,129
Grants and contributions not restricted to specific programs				1,578,164
Investment earnings				9,973
Other				<u>148,974</u>
<b>Total general receipts</b>				<b><u>21,540,395</u></b>
Change in net assets				2,447,599
Net assets - beginning				<u>5,360,889</u>
Net assets - ending				<b><u>\$ 7,808,488</u></b>
<b><u>Assets</u></b>				
Cash and investments				\$ 6,006,841
Restricted assets:				
Cash and investments				<u>1,801,647</u>
<b>Total assets</b>				<b><u>\$ 7,808,488</u></b>
<b><u>Net Assets</u></b>				
Restricted for:				
Debt service				\$ 1,801,647
Unrestricted				<u>6,006,841</u>
<b>Total net assets</b>				<b><u>\$ 7,808,488</u></b>

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

KNOX COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009

	General	Rainy Day	Fiscal Stabilization	Debt Service	Other	Totals
Receipts:						
Local sources	\$ 3,148,253	\$ -	\$ -	\$ 3,119,085	\$ 3,290,648	\$ 9,557,986
Intermediate sources	276	-	-	-	506	782
State sources	9,875,808	-	-	-	176,554	10,052,362
Federal sources	-	-	1,037,633	-	1,570,852	2,608,485
Other	300	-	-	-	149,583	149,883
<b>Total receipts</b>	<b>13,024,637</b>	<b>-</b>	<b>1,037,633</b>	<b>3,119,085</b>	<b>5,188,143</b>	<b>22,369,498</b>
Disbursements:						
Current:						
Instruction	6,839,959	-	322,528	-	1,157,866	8,320,353
Support services	3,956,988	-	119,382	27,483	1,776,895	5,880,748
Noninstructional services	215,729	-	27,375	-	863,784	1,106,888
Facilities acquisition and construction	5,047	-	-	-	235,544	240,591
Debt services	34,816	-	-	2,673,711	328,508	3,037,035
Nonprogrammed charges	1,044,828	-	-	-	115,840	1,160,668
<b>Total disbursements</b>	<b>12,097,367</b>	<b>-</b>	<b>469,285</b>	<b>2,701,194</b>	<b>4,478,437</b>	<b>19,746,283</b>
Excess of receipts over disbursements	927,270	-	568,348	417,891	709,706	2,623,215
Other financing sources (uses):						
Transfers in	-	467,987	-	-	100,198	568,185
Transfers out	-	(63,698)	-	(99,546)	(404,941)	(568,185)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>404,289</b>	<b>-</b>	<b>(99,546)</b>	<b>(304,743)</b>	<b>-</b>
Excess of receipts and other financing sources over disbursements and other financing uses	927,270	404,289	568,348	318,345	404,963	2,623,215
Cash and investments - beginning	1,619,122	110,389	-	-	1,008,163	2,737,674
<b>Cash and investments - ending</b>	<b>\$ 2,546,392</b>	<b>\$ 514,678</b>	<b>\$ 568,348</b>	<b>\$ 318,345</b>	<b>\$ 1,413,126</b>	<b>\$ 5,360,889</b>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,546,392	\$ 514,678	\$ 568,348	\$ -	\$ 1,413,126	\$ 5,042,544
Restricted assets:						
Cash and investments	-	-	-	318,345	-	318,345
<b>Total cash and investment assets - ending</b>	<b>\$ 2,546,392</b>	<b>\$ 514,678</b>	<b>\$ 568,348</b>	<b>\$ 318,345</b>	<b>\$ 1,413,126</b>	<b>\$ 5,360,889</b>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 318,345	\$ -	\$ 318,345
Unrestricted	2,546,392	514,678	568,348	-	1,413,126	5,042,544
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,546,392</b>	<b>\$ 514,678</b>	<b>\$ 568,348</b>	<b>\$ 318,345</b>	<b>\$ 1,413,126</b>	<b>\$ 5,360,889</b>

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

KNOX COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	General	Rainy Day	Fiscal Stabilization	Debt Service	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 150,037	\$ -	\$ -	\$ 3,680,586	\$ 4,387,290	\$ 8,217,913
Intermediate sources	-	-	-	-	206	206
State sources	12,103,684	-	-	-	178,301	12,281,985
Federal sources	-	-	408,241	-	1,874,087	2,282,328
Other	266	-	-	-	148,708	148,974
<b>Total receipts</b>	<b>12,253,987</b>	<b>-</b>	<b>408,241</b>	<b>3,680,586</b>	<b>6,588,592</b>	<b>22,931,406</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	7,069,286	-	463,995	-	1,149,619	8,682,900
Support services	3,823,139	-	198,277	-	2,388,668	6,410,084
Noninstructional services	259,472	-	6,771	-	933,857	1,200,100
Facilities acquisition and construction	7,500	-	-	-	264,942	272,442
Debt services	34,816	-	-	2,345,865	329,774	2,710,455
Nonprogrammed charges	865,875	-	307,546	-	34,405	1,207,826
<b>Total disbursements</b>	<b>12,060,088</b>	<b>-</b>	<b>976,589</b>	<b>2,345,865</b>	<b>5,101,265</b>	<b>20,483,807</b>
Excess (deficiency) of receipts over disbursements	193,899	-	(568,348)	1,334,721	1,487,327	2,447,599
<b>Other financing sources (uses):</b>						
Transfers in	-	792,827	-	-	46,715	839,542
Transfers out	-	-	-	-	(839,542)	(839,542)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>792,827</b>	<b>-</b>	<b>-</b>	<b>(792,827)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	193,899	792,827	(568,348)	1,334,721	694,500	2,447,599
Cash and investments - beginning	2,546,392	514,678	568,348	318,345	1,413,126	5,360,889
Cash and investments - ending	<u>\$ 2,740,291</u>	<u>\$ 1,307,505</u>	<u>\$ -</u>	<u>\$ 1,653,066</u>	<u>\$ 2,107,626</u>	<u>\$ 7,808,488</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 2,740,291	\$ 1,307,505	\$ -	\$ -	\$ 1,959,045	\$ 6,006,841
Restricted assets:						
Cash and investments	-	-	-	1,653,066	148,581	1,801,647
<b>Total cash and investment assets - ending</b>	<u>\$ 2,740,291</u>	<u>\$ 1,307,505</u>	<u>\$ -</u>	<u>\$ 1,653,066</u>	<u>\$ 2,107,626</u>	<u>\$ 7,808,488</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1,653,066	\$ 148,581	\$ 1,801,647
Unrestricted	2,740,291	1,307,505	-	-	1,959,045	6,006,841
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,740,291</u>	<u>\$ 1,307,505</u>	<u>\$ -</u>	<u>\$ 1,653,066</u>	<u>\$ 2,107,626</u>	<u>\$ 7,808,488</u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 2,196	
Investment earnings:			
Interest	-	4,267	
Total additions	-	6,463	
Deductions:			
Benefits	367,600	-	
Administrative and general	-	8,000	
Total deductions	367,600	8,000	
Deficiency of total additions over total deductions	(367,600)	(1,537)	
Cash and investment fund balance - beginning	782,484	120,959	
Cash and investment fund balance - ending	<u>\$ 414,884</u>	<u>\$ 119,422</u>	<u>\$ 51,592</u>
Net assets:			
Cash and investments	<u>\$ 414,884</u>	<u>\$ 119,422</u>	<u>\$ 51,592</u>
Total net assets - cash and investment basis held in trust	<u>\$ 414,884</u>	<u>\$ 119,422</u>	<u>\$ 51,592</u>

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

KNOX COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 1,000	
Investment earnings:			
Interest	-	5,328	
Total additions	-	6,328	
Deductions:			
Benefits	49,970	-	
Administrative and general	-	8,800	
Total deductions	49,970	8,800	
Deficiency of total additions over total deductions	(49,970)	(2,472)	
Cash and investment fund balance - beginning	414,884	119,422	
Cash and investment fund balance - ending	\$ 364,914	\$ 116,950	\$ 52,848
Net assets:			
Cash and investments	\$ 364,914	\$ 116,950	\$ 52,848
Total net assets - cash and investment basis held in trust	\$ 364,914	\$ 116,950	\$ 52,848

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

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Knox Community School Corporation

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

Joint Venture

The School Corporation is a participant with nine other schools in a joint venture to operate North Central Area Vocational Cooperative (NCAVC) which was created to plan for future need, operating programs and services for vocational education. The School Corporation is obligated by contract to remit its proportional share annually to supplement the NCAVC budget. NCAVC's continued existence depends on continued funding by the member school corporations. Complete financial statements for the North Central Area Vocation Cooperative (NCAVC) can be obtained from Culver Community School Corporation at P.O. Box 31, 222 North Ohio Road, Culver, IN 46511.

The School Corporation is a participant with nine other schools in a joint venture to operate Joint Educational Services in Special Education Cooperative (JESSE) which was created to operate a comprehensive program in special education for children with special health care needs. The School Corporation is obligated by contract to remit its proportional share annually to supplement the JESSE budget. JESSE's continued existence depends on continued funding by the member school corporations. Complete financial statements for the Joint Educational Services in Special Education Cooperative (JESSE) can be obtained from Joint Educational Services in Special Education at P.O. Box 418, Plymouth, IN 46563.

The School Corporation is a participant with forty-one other school corporations in a joint venture to operate Northern Indiana Education Services Center (NIESE) which was created to assist member school corporations in providing educational programs and services. The School Corporation is obligated by contract to remit \$10,000 annually to supplement the Northern Indiana Education Services Center (NIESE). Complete financial statements for the Northern Indiana Education Services Center (NIESE) can be obtained from its administrative office at 56535 Magnetic Drive, Mishawaka, IN 46545.

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the voting members of the City of Knox Park Board and the Henry F. Schricker Library Board.

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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

The rainy day fund accounts for unused and unencumbered funds under IC 6-3.5 and is subject to the same appropriation process as any other fund that received tax money.

The fiscal stabilization fund accounts for federal monies received and disbursed under the American Recovery and Reinvestment Act of 2009.

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

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The private-purpose trust funds report trust arrangements under which principal and income benefit the annual disbursement of scholarship funds to eligible students.

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

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund 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.

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively.

4. Capital Assets

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

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental 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.

E. Receipts and Disbursements

Program Receipts

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

KNOX COMMUNITY SCHOOL CORPORATION  
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 where repayment is not expected 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. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

KNOX COMMUNITY SCHOOL CORPORATION  
 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.

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 June 30, 2010, the School Corporation had deposit balances in the amount of \$8,343,200.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
Debt Service Fund	Rainy Day Fund	\$ 99,546	\$ -
Rainy Day Fund	Other Governmental Funds	63,698	-
Other Governmental Funds	Rainy Day Fund	368,441	792,827
Other Governmental Funds	Other Governmental Funds	36,500	46,715
Totals		<u>\$ 568,185</u>	<u>\$ 839,542</u>

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

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.

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees

During 2003, the School Corporation joined with other governmental entities in the Porter County School Employees Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for eight member governmental entities. This risk pool was formed in 1997. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for its medical benefits to employees' coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$100,000 per insured event. The risk pool obtains independent coverage for aggregate insured events in excess of the \$5,000,000.

B. Holding Corporation

The School Corporation has entered into a capital lease with Knox Community 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 \$2,077,067 and \$2,102,000, respectively.

C. Other Postemployment Benefits

Defined Contribution Healthcare Plan

Plan Description

Porter County School Employees Insurance Trust Healthcare Plan is a defined contribution healthcare plan for postemployment employees. The plan provides Medical, vision and dental insurance benefits to eligible retirees and their spouses. Porter County School Employees Insurance Trust assigns the authority to establish and amend benefit provisions to the School Corporation.

Funding Policy

The contribution requirements of plan members for the Porter County School Employees Insurance Trust Healthcare Plan are established by the School Corporation's governing board. The retirees are required to contribute 69% of premium. For the year ended June 30, 2010, the School Corporation contributed \$16,665 to the plan. Plan members receiving benefits contributed \$37,095.

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Pension Plans

1. Agent Multiple-Employer and Single-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 \$200,481.

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

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy

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 \$66,639.

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	Transportation Operating	Preschool/ Special Education	School Lunch	Textbook Rental	Education License Plates	Alternative Education Grant
<b>Receipts:</b>						
Local sources	\$ 933,496	\$ 8,053	\$ 322,593	\$ 72,886	\$ -	\$ -
Intermediate sources	-	-	-	-	506	-
State sources	-	63,281	8,345	104,428	-	-
Federal sources	-	-	647,625	-	-	-
Other	18,475	-	326	-	-	-
<b>Total receipts</b>	<b>951,971</b>	<b>71,334</b>	<b>978,889</b>	<b>177,314</b>	<b>506</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	783,537	-	4,894	190,200	-	-
Noninstructional services	-	-	861,085	-	-	-
Facilities acquisition and construction	-	-	8,896	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	93,213	-	-	-	-
<b>Total disbursements</b>	<b>783,537</b>	<b>93,213</b>	<b>874,875</b>	<b>190,200</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>168,434</b>	<b>(21,879)</b>	<b>104,014</b>	<b>(12,886)</b>	<b>506</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	15,754	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>15,754</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>168,434</b>	<b>(6,125)</b>	<b>104,014</b>	<b>(12,886)</b>	<b>506</b>	<b>-</b>
Cash and investments - beginning	86,095	6,125	173,843	63,063	3,600	10,882
Cash and investments - ending	\$ 254,529	\$ -	\$ 277,857	\$ 50,177	\$ 4,106	\$ 10,882
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 254,529	\$ -	\$ 277,857	\$ 50,177	\$ 4,106	\$ 10,882
Total cash and investment assets - ending	\$ 254,529	\$ -	\$ 277,857	\$ 50,177	\$ 4,106	\$ 10,882
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 254,529	\$ -	\$ 277,857	\$ 50,177	\$ 4,106	\$ 10,882
Total cash and investment fund balance - ending	\$ 254,529	\$ -	\$ 277,857	\$ 50,177	\$ 4,106	\$ 10,882

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Gifted and Talented Grant 2007-2008	Gifted and Talented Grant 2008-2009	Non-English Speaking Grant	Tech Grants	Tophat	Miscellaneous Technology 2007-2008
<b>Receipts:</b>						
Local sources	\$ -	\$ 34,146	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>34,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	15,336	28,461	-	-	5,950	-
Support services	-	-	-	1,591	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>15,336</b>	<b>28,461</b>	<b>-</b>	<b>1,591</b>	<b>5,950</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(15,336)	5,685	-	(1,591)	(5,950)	-
<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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,336)	5,685	-	(1,591)	(5,950)	-
Cash and investments - beginning	15,336	-	2,402	1,591	14,974	768
Cash and investments - ending	\$ -	\$ 5,685	\$ 2,402	\$ -	\$ 9,024	\$ 768
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 5,685	\$ 2,402	\$ -	\$ 9,024	\$ 768
Total cash and investment assets - ending	\$ -	\$ 5,685	\$ 2,402	\$ -	\$ 9,024	\$ 768
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ -	\$ 5,685	\$ 2,402	\$ -	\$ 9,024	\$ 768
Total cash and investment fund balance - ending	\$ -	\$ 5,685	\$ 2,402	\$ -	\$ 9,024	\$ 768

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Miscellaneous Technology 2008-2009	School Recycling Grant	Drug & Tobacco Free Starke Co 2008-2009	Drug & Tobacco Free Starke Co 2007-2008	Starke United	Vocational Trades 2008-2009
<b>Receipts:</b>						
Local sources	\$ 2,123	\$ -	\$ -	\$ -	\$ -	\$ 143,050
Intermediate sources	-	-	-	-	-	-
State sources	-	500	-	-	-	-
Federal sources	-	-	2,500	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,123</b>	<b>500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>143,050</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	500	(287)	-	-	143,050
Support services	1,247	-	2,787	2,272	-	-
Noninstructional services	-	-	-	-	781	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,247</b>	<b>500</b>	<b>2,500</b>	<b>2,272</b>	<b>781</b>	<b>143,050</b>
Excess (deficiency) of receipts over disbursements	876	-	-	(2,272)	(781)	-
<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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	876	-	-	(2,272)	(781)	-
Cash and investments - beginning	-	-	-	2,272	927	-
Cash and investments - ending	\$ 876	\$ -	\$ -	\$ -	\$ 146	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 876	\$ -	\$ -	\$ -	\$ 146	\$ -
Total cash and investment assets - ending	\$ 876	\$ -	\$ -	\$ -	\$ 146	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 876	\$ -	\$ -	\$ -	\$ 146	\$ -
Total cash and investment fund balance - ending	\$ 876	\$ -	\$ -	\$ -	\$ 146	\$ -

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Title 1 2008-2009	Title 1 2007-2008	Title V 2006-2007	Title V 2007-2008	Title V 2008-2009	Career Incentive
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	499,231	44,000	-	-	-	7,714
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>499,231</b>	<b>44,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,714</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	363,192	95,923	-	5,101	23,459	4,073
Support services	1,081	11,353	298	-	1,557	-
Noninstructional services	1,918	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	10,300	-	-	-	-	-
<b>Total disbursements</b>	<b>376,491</b>	<b>107,276</b>	<b>298</b>	<b>5,101</b>	<b>25,016</b>	<b>4,073</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>122,740</b>	<b>(63,276)</b>	<b>(298)</b>	<b>(5,101)</b>	<b>(25,016)</b>	<b>3,641</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	36,500	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,500</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>122,740</b>	<b>(63,276)</b>	<b>(298)</b>	<b>(5,101)</b>	<b>11,484</b>	<b>3,641</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>63,276</b>	<b>298</b>	<b>5,101</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 122,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,484</b>	<b>\$ 3,641</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 122,740	\$ -	\$ -	\$ -	\$ 11,484	\$ 3,641
<b>Total cash and investment assets - ending</b>	<b>\$ 122,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,484</b>	<b>\$ 3,641</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 122,740	\$ -	\$ -	\$ -	\$ 11,484	\$ 3,641
<b>Total cash and investment fund balance - ending</b>	<b>\$ 122,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,484</b>	<b>\$ 3,641</b>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Career Awareness	Drug Free Schools 2008-2009	Drug Free Schools 2006-2007	Drug Free Schools 2007-2008	Title II 2007-2008
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	7,678	-	-	13,147
Other	-	-	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>7,678</u>	<u>-</u>	<u>-</u>	<u>13,147</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	3,725	-	130	-	51,463
Support services	-	1,849	3,321	9,299	8,051
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	249	2,845
<b>Total disbursements</b>	<u>3,725</u>	<u>1,849</u>	<u>3,451</u>	<u>9,548</u>	<u>62,359</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(3,725)</u>	<u>5,829</u>	<u>(3,451)</u>	<u>(9,548)</u>	<u>(49,212)</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>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(3,725)</u>	<u>5,829</u>	<u>(3,451)</u>	<u>(9,548)</u>	<u>(49,212)</u>
<b>Cash and investments - beginning</b>	<u>3,725</u>	<u>-</u>	<u>3,451</u>	<u>9,548</u>	<u>49,212</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Unrestricted	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 5,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Title II Part A 2006-2007	Title II Part A 2008-2009	Reading First Grant 2008-2009	Reading First Grant 2006-2007	Reading First Grant - Summer 2008-2009
Receipts:					
Local sources	\$ -	\$ -	\$ 6,179	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	84,846	91,846	120,199	-
Other	-	-	130,626	-	-
	<u>-</u>	<u>84,846</u>	<u>228,651</u>	<u>120,199</u>	<u>-</u>
Total receipts					
Disbursements:					
Current:					
Instruction	-	30,853	235,740	150,664	533
Support services	11,123	5,253	-	-	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	2,400	6,833	-	-
	<u>-</u>	<u>2,400</u>	<u>6,833</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>11,123</u>	<u>38,506</u>	<u>242,573</u>	<u>150,664</u>	<u>533</u>
Excess (deficiency) of receipts over disbursements	<u>(11,123)</u>	<u>46,340</u>	<u>(13,922)</u>	<u>(30,465)</u>	<u>(533)</u>
Other financing sources (uses):					
Transfers in	-	-	13,922	-	533
Transfers out	-	(36,500)	-	-	-
	<u>-</u>	<u>(36,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(36,500)</u>	<u>13,922</u>	<u>-</u>	<u>533</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,123)</u>	<u>9,840</u>	<u>-</u>	<u>(30,465)</u>	<u>-</u>
Cash and investments - beginning	<u>11,123</u>	<u>-</u>	<u>-</u>	<u>30,465</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ 9,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 9,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ -</u>	<u>\$ 9,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Title 1 ARRA	Severance Bond Debt	Capital Projects	School Bus Replacement	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ 403,460	\$ 1,108,902	\$ 255,760	\$ 3,290,648
Intermediate sources	-	-	-	-	506
State sources	-	-	-	-	176,554
Federal sources	52,066	-	-	-	1,570,852
Other	-	-	156	-	149,583
<b>Total receipts</b>	<u>52,066</u>	<u>403,460</u>	<u>1,109,058</u>	<u>255,760</u>	<u>5,188,143</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	1,157,866
Support services	-	-	493,223	243,959	1,776,895
Noninstructional services	-	-	-	-	863,784
Facilities acquisition and construction	-	-	226,648	-	235,544
Debt services	-	328,508	-	-	328,508
Nonprogrammed charges	-	-	-	-	115,840
<b>Total disbursements</b>	<u>-</u>	<u>328,508</u>	<u>719,871</u>	<u>243,959</u>	<u>4,478,437</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>52,066</u>	<u>74,952</u>	<u>389,187</u>	<u>11,801</u>	<u>709,706</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	33,489	-	-	100,198
Transfers out	-	(108,441)	(260,000)	-	(404,941)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(74,952)</u>	<u>(260,000)</u>	<u>-</u>	<u>(304,743)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>52,066</u>	<u>-</u>	<u>129,187</u>	<u>11,801</u>	<u>404,963</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>-</u>	<u>387,882</u>	<u>62,204</u>	<u>1,008,163</u>
<b>Cash and investments - ending</b>	<u>\$ 52,066</u>	<u>\$ -</u>	<u>\$ 517,069</u>	<u>\$ 74,005</u>	<u>\$ 1,413,126</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	<u>\$ 52,066</u>	<u>\$ -</u>	<u>\$ 517,069</u>	<u>\$ 74,005</u>	<u>\$ 1,413,126</u>
<b>Total cash and investment assets - ending</b>	<u>\$ 52,066</u>	<u>\$ -</u>	<u>\$ 517,069</u>	<u>\$ 74,005</u>	<u>\$ 1,413,126</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Unrestricted	<u>\$ 52,066</u>	<u>\$ -</u>	<u>\$ 517,069</u>	<u>\$ 74,005</u>	<u>\$ 1,413,126</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 52,066</u>	<u>\$ -</u>	<u>\$ 517,069</u>	<u>\$ 74,005</u>	<u>\$ 1,413,126</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	Transportation Operating	Preschool Sp Education	School Lunch	Textbook Rental	Levy Excess	Education License Plates
<b>Receipts:</b>						
Local sources	\$ 1,300,940	\$ -	\$ 295,775	\$ 69,031	\$ 20,383	\$ -
Intermediate sources	-	-	-	-	-	206
State sources	-	35,750	7,865	70,566	-	-
Federal sources	-	-	758,601	-	-	-
Other	-	-	339	-	-	-
<b>Total receipts</b>	<b>1,300,940</b>	<b>35,750</b>	<b>1,062,580</b>	<b>139,597</b>	<b>20,383</b>	<b>206</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	886,537	-	2,134	144,565	-	-
Noninstructional services	-	-	929,779	-	-	-
Facilities acquisition and construction	-	-	50,303	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	19,996	-	-	-	-
<b>Total disbursements</b>	<b>886,537</b>	<b>19,996</b>	<b>982,216</b>	<b>144,565</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	414,403	15,754	80,364	(4,968)	20,383	206
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(30,000)	(15,755)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(30,000)</b>	<b>(15,755)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	384,403	(1)	80,364	(4,968)	20,383	206
Cash and investments - beginning	254,529	-	277,857	50,177	-	4,106
Cash and investments - ending	\$ 638,932	\$ (1)	\$ 358,221	\$ 45,209	\$ 20,383	\$ 4,312
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 638,932	\$ (1)	\$ 358,221	\$ 45,209	\$ 20,383	\$ 4,312
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 638,932</b>	<b>\$ (1)</b>	<b>\$ 358,221</b>	<b>\$ 45,209</b>	<b>\$ 20,383</b>	<b>\$ 4,312</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	638,932	(1)	358,221	45,209	20,383	4,312
<b>Total cash and investment fund balance - ending</b>	<b>\$ 638,932</b>	<b>\$ (1)</b>	<b>\$ 358,221</b>	<b>\$ 45,209</b>	<b>\$ 20,383</b>	<b>\$ 4,312</b>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	Alternative Education Grant	Gifted and Talented Grant 2009-2010	Gifted and Talented Grant 2008-2009	Medical Reimbursement	Non-English Speaking Grant 2008-2009	Non-English Speaking Grant 2009-2010
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	33,746	-	204	-	4,599
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>33,746</b>	<b>-</b>	<b>204</b>	<b>-</b>	<b>4,599</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	9,843	33,746	-	-	-	-
Support services	-	-	5,685	22	2,402	3,868
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>9,843</b>	<b>33,746</b>	<b>5,685</b>	<b>22</b>	<b>2,402</b>	<b>3,868</b>
Excess (deficiency) of receipts over disbursements	(9,843)	-	(5,685)	182	(2,402)	731
<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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,843)	-	(5,685)	182	(2,402)	731
Cash and investments - beginning	10,882	-	5,685	-	2,402	-
Cash and investments - ending	\$ 1,039	\$ -	\$ -	\$ 182	\$ -	\$ 731
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,039	\$ -	\$ -	\$ 182	\$ -	\$ 731
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,039</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182</b>	<b>\$ -</b>	<b>\$ 731</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,039	-	-	182	-	731
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,039</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182</b>	<b>\$ -</b>	<b>\$ 731</b>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	Tophat	Miscellaneous Technology 2007-2008	Wellness Program	Miscellaneous Technology 2008-2009	School Recycling Grant	Excess PTRC Distribution
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 33,544	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	500	25,071
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>33,544</b>	<b>-</b>	<b>500</b>	<b>25,071</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,745	-	-	-	450	-
Support services	7,279	-	10,505	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>9,024</b>	<b>-</b>	<b>10,505</b>	<b>-</b>	<b>450</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(9,024)</b>	<b>-</b>	<b>23,039</b>	<b>-</b>	<b>50</b>	<b>25,071</b>
<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>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(9,024)</b>	<b>-</b>	<b>23,039</b>	<b>-</b>	<b>50</b>	<b>25,071</b>
<b>Cash and investments - beginning</b>	<b>9,024</b>	<b>768</b>	<b>-</b>	<b>876</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 768</b>	<b>\$ 23,039</b>	<b>\$ 876</b>	<b>\$ 50</b>	<b>\$ 25,071</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 768	\$ 23,039	\$ 876	\$ 50	\$ 25,071
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 768</b>	<b>\$ 23,039</b>	<b>\$ 876</b>	<b>\$ 50</b>	<b>\$ 25,071</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	768	23,039	876	50	25,071
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 768</b>	<b>\$ 23,039</b>	<b>\$ 876</b>	<b>\$ 50</b>	<b>\$ 25,071</b>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	Starke United	Drug & Tobacco Free Starke Co 2009-2010	Vocational Trades 2009-2010	Title 1 2008-2009	Title 1 2009-2010	Title V 2008-2009
<b>Receipts:</b>						
Local sources	\$ -	\$ 2,500	\$ 165,146	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	40,629	491,822	1,335
Other	-	-	-	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>2,500</u>	<u>165,146</u>	<u>40,629</u>	<u>491,822</u>	<u>1,335</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	162,300	134,527	395,266	12,819
Support services	-	2,500	-	-	30,390	-
Noninstructional services	-	-	-	-	676	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	9,100	-
<b>Total disbursements</b>	<u>-</u>	<u>2,500</u>	<u>162,300</u>	<u>134,527</u>	<u>435,432</u>	<u>12,819</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>2,846</u>	<u>(93,898)</u>	<u>56,390</u>	<u>(11,484)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	28,843	-
Transfers out	-	-	-	(28,843)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,843)</u>	<u>28,843</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>2,846</u>	<u>(122,741)</u>	<u>85,233</u>	<u>(11,484)</u>
Cash and investments - beginning	<u>146</u>	<u>-</u>	<u>-</u>	<u>122,740</u>	<u>-</u>	<u>11,484</u>
Cash and investments - ending	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 2,846</u>	<u>\$ (1)</u>	<u>\$ 85,233</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 146	\$ -	\$ 2,846	\$ (1)	\$ 85,233	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 2,846</u>	<u>\$ (1)</u>	<u>\$ 85,233</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>146</u>	<u>-</u>	<u>2,846</u>	<u>(1)</u>	<u>85,233</u>	<u>-</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 2,846</u>	<u>\$ (1)</u>	<u>\$ 85,233</u>	<u>\$ -</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	Career Incentive	Career Awareness 2009-2010	Drug Free Schools 2008-2009	Drug Free Schools 2009-2010	Medical Reimbursement Federal	Title II Part A 2008-2009
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	7,714	-	10,032	562	50,880
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>7,714</b>	<b>-</b>	<b>10,032</b>	<b>562</b>	<b>50,880</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,641	4,660	-	-	-	52,155
Support services	-	-	5,641	5,771	100	8,565
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	188	-	-	-
<b>Total disbursements</b>	<b>3,641</b>	<b>4,660</b>	<b>5,829</b>	<b>5,771</b>	<b>100</b>	<b>60,720</b>
Excess (deficiency) of receipts over disbursements	(3,641)	3,054	(5,829)	4,261	462	(9,840)
<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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,641)	3,054	(5,829)	4,261	462	(9,840)
Cash and investments - beginning	3,641	-	5,829	-	-	9,840
Cash and investments - ending	\$ -	\$ 3,054	\$ -	\$ 4,261	\$ 462	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 3,054	\$ -	\$ 4,261	\$ 462	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 3,054</b>	<b>\$ -</b>	<b>\$ 4,261</b>	<b>\$ 462</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,054	-	4,261	462	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 3,054</b>	<b>\$ -</b>	<b>\$ 4,261</b>	<b>\$ 462</b>	<b>\$ -</b>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	Title II Part A 2009-2010	Title VI - Part B Rural and Low Income	Reading First Grant 2008-2009	Reading First Grant - Summer 2008-2009	Reading First Grant 2009-2010	Reading First Grant - Summer 2009-2010
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	83,819	44,317	-	-	125,974	-
Other	-	-	71,885	76,094	-	-
<b>Total receipts</b>	<b>83,819</b>	<b>44,317</b>	<b>71,885</b>	<b>76,094</b>	<b>125,974</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	31,975	34,243	57,963	73,072	137,052	4,162
Support services	12,801	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,489	2,632	-
<b>Total disbursements</b>	<b>44,776</b>	<b>34,243</b>	<b>57,963</b>	<b>75,561</b>	<b>139,684</b>	<b>4,162</b>
Excess (deficiency) of receipts over disbursements	39,043	10,074	13,922	533	(13,710)	(4,162)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	13,710	4,162
Transfers out	-	-	(13,922)	(533)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(13,922)</b>	<b>(533)</b>	<b>13,710</b>	<b>4,162</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,043	10,074	-	-	-	-
Cash and investments - beginning	-	-	-	-	-	-
Cash and investments - ending	\$ 39,043	\$ 10,074	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 39,043	\$ 10,074	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 39,043</b>	<b>\$ 10,074</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	39,043	10,074	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 39,043</b>	<b>\$ 10,074</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	Title 1 ARRA	School Lunch Equipment Grant-ARRA	Severance Bond Debt	Capital Projects	School Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 511,844	\$ 1,575,204	\$ 412,923	\$ 4,387,290
Intermediate sources	-	-	-	-	-	206
State sources	-	-	-	-	-	178,301
Federal sources	255,000	3,402	-	-	-	1,874,087
Other	-	-	-	390	-	148,708
<b>Total receipts</b>	<b>255,000</b>	<b>3,402</b>	<b>511,844</b>	<b>1,575,594</b>	<b>412,923</b>	<b>6,588,592</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	1,149,619
Support services	269,828	-	-	755,811	234,264	2,388,668
Noninstructional services	-	3,402	-	-	-	933,857
Facilities acquisition and construction	-	-	-	214,639	-	264,942
Debt services	-	-	329,774	-	-	329,774
Nonprogrammed charges	-	-	-	-	-	34,405
<b>Total disbursements</b>	<b>269,828</b>	<b>3,402</b>	<b>329,774</b>	<b>970,450</b>	<b>234,264</b>	<b>5,101,265</b>
Excess (deficiency) of receipts over disbursements	(14,828)	-	182,070	605,144	178,659	1,487,327
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	46,715
Transfers out	-	-	(33,489)	(717,000)	-	(839,542)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(33,489)</b>	<b>(717,000)</b>	<b>-</b>	<b>(792,827)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,828)	-	148,581	(111,856)	178,659	694,500
Cash and investments - beginning	52,066	-	-	517,069	74,005	1,413,126
Cash and investments - ending	\$ 37,238	\$ -	\$ 148,581	\$ 405,213	\$ 252,664	\$ 2,107,626
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 37,238	\$ -	\$ -	\$ 405,213	\$ 252,664	\$ 1,959,045
Restricted assets:						
Cash and investments	-	-	148,581	-	-	148,581
<b>Total cash and investment assets - ending</b>	<b>\$ 37,238</b>	<b>\$ -</b>	<b>\$ 148,581</b>	<b>\$ 405,213</b>	<b>\$ 252,664</b>	<b>\$ 2,107,626</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 148,581	\$ -	\$ -	\$ 148,581
Unrestricted	37,238	-	-	405,213	252,664	1,959,045
<b>Total cash and investment fund balance - ending</b>	<b>\$ 37,238</b>	<b>\$ -</b>	<b>\$ 148,581</b>	<b>\$ 405,213</b>	<b>\$ 252,664</b>	<b>\$ 2,107,626</b>

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

	<u>Dr Browne Instructional</u>	<u>Intell Scholarship</u>	<u>John E. Milner Scholarship</u>	<u>Paul R &amp; Emily J Reed Scholarship</u>	<u>Janet Miller Memorial</u>	<u>Lynn Milner Wamsley Scholarship</u>	<u>Joe &amp; Delores Gurrado Scholarship</u>
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 848	\$ -	\$ -	\$ 1,348	\$ -
Investment earnings:							
Interest	1,969	3	50	69	-	71	-
Total additions	<u>1,969</u>	<u>3</u>	<u>898</u>	<u>69</u>	<u>-</u>	<u>1,419</u>	<u>-</u>
Deductions:							
Administrative and general	-	100	1,000	2,500	-	1,000	-
Excess (deficiency) of total additions over total deductions	1,969	(97)	(102)	(2,431)	-	419	-
Cash and investment fund balance - beginning	<u>15,350</u>	<u>821</u>	<u>12,131</u>	<u>18,463</u>	<u>1</u>	<u>17,626</u>	<u>12</u>
Cash and investments - June 30	<u>\$ 17,319</u>	<u>\$ 724</u>	<u>\$ 12,029</u>	<u>\$ 16,032</u>	<u>\$ 1</u>	<u>\$ 18,045</u>	<u>\$ 12</u>
Net assets:							
Cash and investments	<u>\$ 17,319</u>	<u>\$ 724</u>	<u>\$ 12,029</u>	<u>\$ 16,032</u>	<u>\$ 1</u>	<u>\$ 18,045</u>	<u>\$ 12</u>
Total net assets - cash and investment basis held in trust	<u>\$ 17,319</u>	<u>\$ 724</u>	<u>\$ 12,029</u>	<u>\$ 16,032</u>	<u>\$ 1</u>	<u>\$ 18,045</u>	<u>\$ 12</u>

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

	Paul E & Catherine Reed Scholarship	H. Weinberg Scholarship Trust	Dr. Browne Scholarships	C James Scholarship	Myers Memorial	CIS Donation 2005-2006	Totals
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,196
Investment earnings:							
Interest	71	63	1,971	-	-	-	4,267
Total additions	71	63	1,971	-	-	-	6,463
Deductions:							
Administrative and general	2,500	200	500	200	-	-	8,000
Excess (deficiency) of total additions over total deductions	(2,429)	(137)	1,471	(200)	-	-	(1,537)
Cash and investment fund balance - beginning	18,476	15,569	15,860	4,718	1,864	68	120,959
Cash and investments - June 30	<u>\$ 16,047</u>	<u>\$ 15,432</u>	<u>\$ 17,331</u>	<u>\$ 4,518</u>	<u>\$ 1,864</u>	<u>\$ 68</u>	<u>\$ 119,422</u>
Net assets:							
Cash and investments	<u>\$ 16,047</u>	<u>\$ 15,432</u>	<u>\$ 17,331</u>	<u>\$ 4,518</u>	<u>\$ 1,864</u>	<u>\$ 68</u>	<u>\$ 119,422</u>
Total net assets - cash and investment basis held in trust	<u>\$ 16,047</u>	<u>\$ 15,432</u>	<u>\$ 17,331</u>	<u>\$ 4,518</u>	<u>\$ 1,864</u>	<u>\$ 68</u>	<u>\$ 119,422</u>

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

	<u>Dr Browne Instructional</u>	<u>Intell Scholarship</u>	<u>John E Milner Scholarship</u>	<u>Rogers Scholarship</u>	<u>Paul R &amp; Emily J Reed Scholarship</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ 1,000	\$ -
Investment earnings:					
Interest	1,744	17	277	-	311
Total additions	<u>1,744</u>	<u>17</u>	<u>277</u>	<u>1,000</u>	<u>311</u>
Deductions:					
Administrative and general	<u>-</u>	<u>500</u>	<u>1,000</u>	<u>-</u>	<u>2,500</u>
Excess (deficiency) of total additions over total deductions	1,744	(483)	(723)	1,000	(2,189)
Cash and investment fund balance - beginning	<u>17,319</u>	<u>724</u>	<u>12,029</u>	<u>-</u>	<u>16,033</u>
Cash and investments - June 30	<u>\$ 19,063</u>	<u>\$ 241</u>	<u>\$ 11,306</u>	<u>\$ 1,000</u>	<u>\$ 13,844</u>
Net assets:					
Cash and investments	<u>\$ 19,063</u>	<u>\$ 241</u>	<u>\$ 11,306</u>	<u>\$ 1,000</u>	<u>\$ 13,844</u>
Total net assets - cash and investment basis held in trust	<u>\$ 19,063</u>	<u>\$ 241</u>	<u>\$ 11,306</u>	<u>\$ 1,000</u>	<u>\$ 13,844</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	<u>Janet Miller Memorial</u>	<u>Lynn Milner Wamsley Scholarship</u>	<u>Joe &amp; Delores Gurrado Scholarship</u>	<u>Paul E &amp; Catherine Reed Scholarship</u>	<u>H. Weinberg Scholarship Trust</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:					
Interest	-	415	-	312	355
Total additions	-	415	-	312	355
Deductions:					
Administrative and general	-	1,000	-	2,500	200
Excess (deficiency) of total additions over total deductions	-	(585)	-	(2,188)	155
Cash and investment fund balance - beginning	1	18,046	12	16,046	15,431
Cash and investments - June 30	<u>\$ 1</u>	<u>\$ 17,461</u>	<u>\$ 12</u>	<u>\$ 13,858</u>	<u>\$ 15,586</u>
Net assets:					
Cash and investments	<u>\$ 1</u>	<u>\$ 17,461</u>	<u>\$ 12</u>	<u>\$ 13,858</u>	<u>\$ 15,586</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1</u>	<u>\$ 17,461</u>	<u>\$ 12</u>	<u>\$ 13,858</u>	<u>\$ 15,586</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2010  
 (Continued)

	<u>Dr Browne Scholarships</u>	<u>C James Scholarship</u>	<u>Meyers Memorial</u>	<u>CIS Donation 2005-2006</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Investment earnings:					
Interest	1,745	109	43	-	5,328
Total additions	<u>1,745</u>	<u>109</u>	<u>43</u>	<u>-</u>	<u>6,328</u>
Deductions:					
Administrative and general	<u>1,000</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>8,800</u>
Excess (deficiency) of total additions over total deductions	745	9	43	-	(2,472)
Cash and investment fund balance - beginning	<u>17,331</u>	<u>4,518</u>	<u>1,864</u>	<u>68</u>	<u>119,422</u>
Cash and investments - June 30	<u>\$ 18,076</u>	<u>\$ 4,527</u>	<u>\$ 1,907</u>	<u>\$ 68</u>	<u>\$ 116,950</u>
Net assets:					
Cash and investments	<u>\$ 18,076</u>	<u>\$ 4,527</u>	<u>\$ 1,907</u>	<u>\$ 68</u>	<u>\$ 116,950</u>
Total net assets - cash and investment basis held in trust	<u>\$ 18,076</u>	<u>\$ 4,527</u>	<u>\$ 1,907</u>	<u>\$ 68</u>	<u>\$ 116,950</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2009

	Payroll Withholdings	Lunch Payroll Clearing & Prepaid Meals	Totals
Additions:			
Agency fund additions	\$ 2,395,497	\$ 263,393	\$ 2,658,890
Deductions:			
Agency fund deductions	2,390,805	262,273	2,653,078
Excess of total additions over total deductions	4,692	1,120	5,812
Cash and investment fund balance - beginning	38,536	7,244	45,780
Cash and investment fund balance - ending	\$ 43,228	\$ 8,364	\$ 51,592

KNOX COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2010

	<u>Payroll Withholdings</u>	<u>Lunch Payroll Clearing &amp; Prepaid Meals</u>	<u>Totals</u>
Additions:			
Agency fund additions	\$ 2,489,829	\$ 312,541	\$ 2,802,370
Deductions:			
Agency fund deductions	<u>2,489,225</u>	<u>311,889</u>	<u>2,801,114</u>
Excess of total additions over total deductions	604	652	1,256
Cash and investment fund balance - beginning	<u>43,228</u>	<u>8,364</u>	<u>51,592</u>
Cash and investment fund balance - ending	<u>\$ 43,832</u>	<u>\$ 9,016</u>	<u>\$ 52,848</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2010

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,072,200
Buildings	35,238,582
Improvements other than buildings	2,706,814
Machinery and equipment	<u>4,001,714</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 44,019,310</u>

KNOX COMMUNITY SCHOOL CORPORATION  
 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:		
Knox Community Middle School	\$ 14,942,707	\$ 2,145,000
Energy Savings	336,588	350,000
Notes and loans payable	600,750	68,085
Bonds payable:		
General obligation bonds:		
Pension Bond	<u>2,680,000</u>	<u>330,458</u>
Total governmental activities debt	<u>\$ 18,560,045</u>	<u>\$ 2,893,543</u>

KNOX COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

SEGREGATION OF DUTIES- INTERNAL CONTROLS OVER  
FINANCIAL TRANSACTIONS AND REPORTING

Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements or frauds to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CONDITION OF RECORDS (Applies to School Lunch)

The detail records presented for audit for each child's prepay account per school did not agree with the control fund balance. The control fund balance shows \$771 more than the detail records at June 30, 2010.

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

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FUND SOURCES AND USES (Applies to Knox Community Elementary School)

Funds were disbursed from the Extra-Curricular Donation Fund for a staff cookout. The Extra-Curricular Donation Fund is designated for student use and no staff collections were receipted into the Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DISBURSEMENT DOCUMENTATION (Applies to Knox Community High School)

Problems noted during the review of disbursements made from the High School Extra-Curricular account include:

KNOX COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

1. Five disbursements did not contain the required supporting vendor invoice.
2. The payee and endorsement for three disbursements could not be verified. The checks were processed by the depository however no image or cancelled check was presented for audit.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

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

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

REPAYMENTS AND TRANSFERS (Applies to Knox Community High School)

The Student Activity Extra-Curricular Fund on March 19, 2009, loaned \$4,000 to the Textbook Rental Extra-Curricular Fund. To date the loan has not been repaid to the Student Activity Extra-Curricular Fund.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

KNOX COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

POLICIES AND PROCEDURES (Applies to Knox Community Elementary School,  
Knox Community Middle School and Knox Community High School)

The Knox Community School Board approved a policy in 1993 requiring the use of a collection agency for delinquent student textbook rental fees. As of June 30, 2010, the approved policy has not been implemented by the schools.

As of June 30, 2010, the following textbook rental fees have not been collected:

Knox Community Elementary School	\$ 14,597
Knox Community Middle School	12,367
Knox Community High School	<u>14,092</u>
 Total Uncollected	 <u><u>\$ 41,056</u></u>

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

(This page intentionally left blank)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF THE KNOX COMMUNITY SCHOOL  
CORPORATION, STARKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Knox Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to 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. We consider the deficiencies in internal control over compliance described in items 2010-2, 2010-3, 2010-4, 2010-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and questioned Costs to be material weaknesses.

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

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

December 6, 2010

KNOX COMMUNITY SCHOOL CORPORATION  
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	10.553	FY 09/10	\$ 227,133	\$ 262,774
National School Lunch Program	10.555	FY 09/10	465,784	545,841
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	FY09/10	-	<u>3,402</u>
Total for federal grantor agency			<u>692,917</u>	<u>812,017</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass Through-Indiana Department of Education				
Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies	84.010			
		FY 7525-08	107,276	-
		FY 7525-09	376,491	134,526
		FY 7525-10	-	<u>435,432</u>
Total for program			<u>483,767</u>	<u>569,958</u>
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389			
		SY 09-10	-	<u>269,828</u>
Total for cluster			<u>483,767</u>	<u>839,786</u>
Career and Technical Education - Basic Grants to States	84.048			
		SY 07-08	3,725	-
		SY 08-09	4,073	3,641
		SY 09-10	-	<u>4,660</u>
Total for program			<u>7,798</u>	<u>8,301</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		7525-06	3,451	-
		7525-07	9,548	-
		7525-08	1,849	5,829
		7525-09	-	<u>5,771</u>
Total for program			<u>14,848</u>	<u>11,600</u>
State Grants for Innovative Programs	84.298			
		7525-06	298	-
		7525-07	5,101	-
		7525-08	25,016	<u>12,819</u>
Total for program			<u>30,415</u>	<u>12,819</u>
Reading First State Grants	84.357			
		7525-07	124,538	-
		7525-07 Summer	26,126	-
		7525-08	242,573	57,963
		7525-08 Summer	533	75,561
		7525-09	-	139,684
		7525-09 Summer	-	<u>4,162</u>
Total for program			<u>393,770</u>	<u>277,370</u>
Rural Education	84.358	FY 09/10	-	<u>34,243</u>
Improving Teacher Quality State Grants	84.367			
		06-7525	11,123	-
		07-7525	62,359	-
		08-7525	38,506	60,720
		09-7525	-	<u>44,775</u>
Total for program			<u>111,988</u>	<u>105,495</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	FY09/10	<u>469,285</u>	<u>976,589</u>
Total for federal grantor agency			<u>1,511,871</u>	<u>2,266,203</u>
Total federal awards expended			<u>\$ 2,204,788</u>	<u>\$ 3,078,220</u>

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

KNOX COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Knox Community School Corporation (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	\$ 14,536	\$ 15,904
National School Lunch Program	10.555	30,756	34,110

KNOX COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
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?	yes

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.357	Child Nutrition Cluster Title 1, Part A Cluster Reading First State Grants State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

2010-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements or frauds to go undetected.

KNOX COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2, INTERNAL CONTROL

Federal Agency: U.S. Department of Agriculture  
Pass-through: Indiana Department of Education  
Federal Program: Child Nutrition Cluster – National School Lunch Program  
CFDA Number: 10.555

Federal funds received as a part of the Child Nutrition Cluster are used to subsidize the cost of the school lunch program provided by the School Corporation. Financial accounting records for the lunch program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Corporation Business Office the School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

Circular A133 Subpart C section §\_\_\_\_.300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation develop internal control procedures properly segregate accounting activities in the School Corporation Business Office.

FINDING 2010-3, INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Pass-through: Indiana Department of Education  
Federal Program: Title 1, Part A Cluster  
CFDA Number: 84.010

The financial records for federal funds received as a part of the Title 1, Part A Cluster program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Corporation Business Office the School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

KNOX COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Circular A133 Subpart C section §\_\_\_\_.300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation develop internal control procedures properly segregate accounting activities in the School Corporation Business Office.

FINDING 2010-4, INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Pass-through: Indiana Department of Education  
Federal Program: Reading First State Grants  
CFDA Number: 84.357

The financial records for federal funds received as a part of the Reading First State Grants program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Corporation Business Office the School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

Circular A133 Subpart C section §\_\_\_\_.300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation develop internal control procedures properly segregate accounting activities in the School Corporation Business Office.

Finding No. 2010-5 INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Pass-through: Indiana Department of Education  
Federal Program: State Fiscal Stabilization Fund – Education State Grants Recovery Act  
CFDA Number: 84.394

The financial records for federal funds received as a part of the State Fiscal Stabilization Fund – Education State Grants Recovery Act program are maintained in the School Corporation Business Office. Currently, due to the limited personnel in the School Corporation Business Office the School Corporation has not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

KNOX COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Circular A133 Subpart C section §\_\_\_\_.300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation develop internal control procedures properly segregate accounting activities in the School Corporation Business Office.

KNOX COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



*Sherry Sue Fort*  
Business Manager

(574) 772-1604  
FAX: (574) 772-1608  
E-MAIL: [sfort@knox.k12.in.us](mailto:sfort@knox.k12.in.us)

December 6, 2010

Section III Findings

Finding No 2010-2 Internal Control  
Finding No 2010-3 Internal Control  
Finding No 2010-4 Internal Control  
Finding No 2010-5 Internal Control

Control activities should be selected and developed at various levels of the school corporation to reduce risks to achievement of financial reporting objectives. The failure to establish these controls could enable material misstatements or frauds to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing is necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9).

The Corporation will implement procedures that will safeguard controls over cash and other assets and segregate duties by function.

Sincerely,

*Sherry Sue Fort*  
Sherry Sue Fort



*Sherry Sue Fort*  
Business Manager

(574) 772-1604  
FAX: (574) 772-1608  
E-MAIL: [sfort@knox.k12.in.us](mailto:sfort@knox.k12.in.us)

December 6, 2010

Section II – Financial Statement Findings

Federal Finding 2010-1, Internal Controls Over Financial Transactions and Reporting

Control activities should be selected and developed at various levels of the school corporation to reduce risks to achievement of financial reporting objectives. The failure to establish these controls could enable material misstatements or frauds to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing is necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9).

The Corporation will implement procedures that will safeguard controls over cash and other assets and segregate duties by function.

Sincerely,

*Sherry Sue Fort*  
Sherry Sue Fort  
Treasurer

KNOX COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 6, 2010, with Gary Dulin, President of the School Board; A.J. Gappa, Superintendent of Schools; Sherry Sue Fort, Treasurer; and Linda Benkowski, Assistant Treasurer. The officials concurred with our audit findings.