

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

AUDIT REPORT

OF

TAYLOR COMMUNITY SCHOOL CORPORATION

HOWARD COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED

02/23/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Deborah Barton	07-01-08 to 06-30-11
Superintendent of Schools	Dr. John Magers	07-01-08 to 06-30-11
President of the School Board	Dennis Marler	07-01-08 to 06-30-11



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

TO: THE OFFICIALS OF THE TAYLOR COMMUNITY
SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Taylor 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 January 12, 2011, 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 Schedule of Funding Progress, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 12, 2011



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

TO: THE OFFICIALS OF THE TAYLOR COMMUNITY
SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Taylor 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 January 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

January 12, 2011

TAYLOR 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:					
Instruction	\$ 6,472,591	\$ -	\$ 93,529	\$ -	\$ (6,379,062)
Support services	4,459,392	418,376	326,440	-	(3,714,576)
Noninstructional services	709,802	-	-	-	(709,802)
Facilities acquisition and construction	646,316	-	-	-	(646,316)
Debt service	5,176,918	-	-	-	(5,176,918)
Nonprogrammed charges	83,008	-	-	-	(83,008)
Total governmental activities	<u>\$ 17,548,027</u>	<u>\$ 418,376</u>	<u>\$ 419,969</u>	<u>\$ -</u>	<u>(16,709,682)</u>
General receipts:					
Property taxes					6,992,517
Other local sources					905,457
State aid					7,066,360
Bonds and loans					779,565
Grants and contributions not restricted to specific programs					1,140,472
Investment earnings					64,172
Other					59,509
Total general receipts					<u>17,008,052</u>
Change in net assets					298,370
Net assets - beginning					<u>2,994,138</u>
Net assets - ending					<u>\$ 3,292,508</u>
<u>Assets</u>					
Cash and investments					\$ 2,718,888
Restricted assets:					
Cash and investments					<u>573,620</u>
Total assets					<u>\$ 3,292,508</u>
<u>Net Assets</u>					
Restricted for:					
Debt service					\$ 573,620
Unrestricted					<u>2,718,888</u>
Total net assets					<u>\$ 3,292,508</u>

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

TAYLOR 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 7,303,287	\$ -	\$ 160,339	\$ -	\$ (7,142,948)
Support services	4,548,861	414,673	407,603	-	(3,726,585)
Noninstructional services	714,341	-	-	-	(714,341)
Facilities acquisition and construction	531,091	-	-	-	(531,091)
Debt service	2,877,439	-	-	-	(2,877,439)
Nonprogrammed charges	<u>202,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,597)</u>
Total governmental activities	<u>\$ 16,177,616</u>	<u>\$ 414,673</u>	<u>\$ 567,942</u>	<u>\$ -</u>	<u>(15,195,001)</u>
General receipts:					
Property taxes					4,854,772
Other local sources					785,302
State aid					9,161,236
Bonds and loans					403,347
Grants and contributions not restricted to specific programs					864,859
Sale of property					1,000
Investment earnings					24,382
Other					<u>23,769</u>
Total general receipts					<u>16,118,667</u>
Change in net assets					923,666
Net assets - beginning					<u>3,292,508</u>
Net assets - ending					<u>\$ 4,216,174</u>
<u>Assets</u>					
Cash and investments					\$ 2,992,922
Restricted assets:					
Cash and investments					<u>1,223,252</u>
Total assets					<u>\$ 4,216,174</u>
<u>Net Assets</u>					
Restricted for:					
Debt service					\$ 1,223,252
Unrestricted					<u>2,992,922</u>
Total net assets					<u>\$ 4,216,174</u>

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

TAYLOR 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 Fund	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 3,110,263	\$ -	\$ 2,150,382	\$ 1,418,125	\$ 1,686,177	\$ 8,364,947
Intermediate sources	31	-	-	-	15,544	15,575
State sources	7,126,510	-	-	-	170,237	7,296,747
Federal sources	-	-	-	-	1,330,054	1,330,054
Temporary loans	-	-	-	217,605	561,960	779,565
Other	2,564	-	-	13,186	43,759	59,509
Total receipts	<u>10,239,368</u>	<u>-</u>	<u>2,150,382</u>	<u>1,648,916</u>	<u>3,807,731</u>	<u>17,846,397</u>
Disbursements:						
Current:						
Instruction	5,757,185	-	-	-	715,406	6,472,591
Support services	2,686,834	19,399	-	651,635	1,101,524	4,459,392
Noninstructional services	89,939	-	-	-	619,863	709,802
Facilities acquisition and construction	-	-	-	612,338	33,978	646,316
Debt services	1,514,264	-	2,126,609	636,705	899,340	5,176,918
Nonprogrammed charges	63,538	-	-	-	19,470	83,008
Total disbursements	<u>10,111,760</u>	<u>19,399</u>	<u>2,126,609</u>	<u>1,900,678</u>	<u>3,389,581</u>	<u>17,548,027</u>
Excess (deficiency) of receipts over disbursements	<u>127,608</u>	<u>(19,399)</u>	<u>23,773</u>	<u>(251,762)</u>	<u>418,150</u>	<u>298,370</u>
Other financing sources (uses):						
Transfers in	12,829	-	-	-	8,196	21,025
Transfers out	-	-	-	-	(21,025)	(21,025)
Total other financing sources (uses)	<u>12,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,829)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>140,437</u>	<u>(19,399)</u>	<u>23,773</u>	<u>(251,762)</u>	<u>405,321</u>	<u>298,370</u>
Cash and investments - beginning	<u>1,265,203</u>	<u>400,000</u>	<u>416,488</u>	<u>632,786</u>	<u>279,661</u>	<u>2,994,138</u>
Cash and investments - ending	<u>\$ 1,405,640</u>	<u>\$ 380,601</u>	<u>\$ 440,261</u>	<u>\$ 381,024</u>	<u>\$ 684,982</u>	<u>\$ 3,292,508</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,405,640	\$ 380,601	\$ -	\$ 381,024	\$ 551,623	\$ 2,718,888
Restricted assets:						
Cash and investments	-	-	440,261	-	133,359	573,620
Total cash and investment assets - ending	<u>\$ 1,405,640</u>	<u>\$ 380,601</u>	<u>\$ 440,261</u>	<u>\$ 381,024</u>	<u>\$ 684,982</u>	<u>\$ 3,292,508</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 440,261	\$ -	\$ 133,359	\$ 573,620
Unrestricted	<u>1,405,640</u>	<u>380,601</u>	<u>-</u>	<u>381,024</u>	<u>551,623</u>	<u>2,718,888</u>
Total cash and investment fund balance - ending	<u>\$ 1,405,640</u>	<u>\$ 380,601</u>	<u>\$ 440,261</u>	<u>\$ 381,024</u>	<u>\$ 684,982</u>	<u>\$ 3,292,508</u>

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

TAYLOR 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 Fund	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 129,167	\$ -	\$ 2,222,431	\$ 1,488,805	\$ 2,113,511	\$5,953,914
Intermediate sources	46	-	-	-	125,169	125,215
State sources	9,286,475	-	-	-	177,309	9,463,784
Federal sources	-	-	-	-	1,130,253	1,130,253
Temporary loans	-	-	-	145,637	257,710	403,347
Other	5,274	-	-	35	18,460	23,769
Total receipts	<u>9,420,962</u>	<u>-</u>	<u>2,222,431</u>	<u>1,634,477</u>	<u>3,822,412</u>	<u>17,100,282</u>
Disbursements:						
Current:						
Instruction	6,255,464	-	-	-	1,047,823	7,303,287
Support services	2,784,748	-	-	706,356	1,057,757	4,548,861
Noninstructional services	118,695	-	-	-	595,646	714,341
Facilities acquisition and construction	-	-	-	512,565	18,526	531,091
Debt services	-	-	1,661,537	217,605	998,297	2,877,439
Nonprogrammed charges	188,064	-	-	-	14,533	202,597
Total disbursements	<u>9,346,971</u>	<u>-</u>	<u>1,661,537</u>	<u>1,436,526</u>	<u>3,732,582</u>	<u>16,177,616</u>
Excess of receipts over disbursements	<u>73,991</u>	<u>-</u>	<u>560,894</u>	<u>197,951</u>	<u>89,830</u>	<u>922,666</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	1,000	1,000
Transfers in	108,558	-	-	-	13,773	122,331
Transfers out	-	-	-	-	(122,331)	(122,331)
Total other financing sources (uses)	<u>108,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(107,558)</u>	<u>1,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	182,549	-	560,894	197,951	(17,728)	923,666
Cash and investments - beginning	<u>1,405,640</u>	<u>380,601</u>	<u>440,261</u>	<u>381,024</u>	<u>684,982</u>	<u>3,292,508</u>
Cash and investments - ending	<u>\$ 1,588,189</u>	<u>\$ 380,601</u>	<u>\$ 1,001,155</u>	<u>\$ 578,975</u>	<u>\$ 667,254</u>	<u>\$4,216,174</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,588,189	\$ 380,601	\$ -	\$ 578,975	\$ 445,157	\$2,992,922
Restricted assets:						
Cash and investments	-	-	1,001,155	-	222,097	1,223,252
Total cash and investment assets - ending	<u>\$ 1,588,189</u>	<u>\$ 380,601</u>	<u>\$ 1,001,155</u>	<u>\$ 578,975</u>	<u>\$ 667,254</u>	<u>\$4,216,174</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 1,001,155	\$ -	\$ 222,097	\$1,223,252
Unrestricted	1,588,189	380,601	-	578,975	445,157	2,992,922
Total cash and investment fund balance - ending	<u>\$ 1,588,189</u>	<u>\$ 380,601</u>	<u>\$ 1,001,155</u>	<u>\$ 578,975</u>	<u>\$ 667,254</u>	<u>\$4,216,174</u>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 16,063	
Investment earnings:			
Interest	-	42	
Total additions	-	16,105	
Deductions:			
Benefits	230,376	-	
Administrative and general	-	8,696	
Total deductions	230,376	8,696	
Excess (deficiency) of total additions over total deductions	(230,376)	7,409	
Cash and investment fund balance - beginning	464,875	6,645	
Cash and investment fund balance - ending	\$ 234,499	\$ 14,054	\$ 73,902
Net assets:			
Cash and investments	\$ 234,499	\$ 14,054	\$ 73,902
Total net assets - cash and investment basis held in trust	\$ 234,499	\$ 14,054	\$ 73,902

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 11,456	
Investment earnings:			
Interest	-	60	
Total additions	<u>-</u>	<u>11,516</u>	
Deductions:			
Benefits	171,481	-	
Administrative and general	<u>-</u>	<u>16,535</u>	
Total deductions	<u>171,481</u>	<u>16,535</u>	
Deficiency of total additions over total deductions	(171,481)	(5,019)	
Cash and investment fund balance - beginning	<u>234,499</u>	<u>14,054</u>	
Cash and investment fund balance - ending	<u>\$ 63,018</u>	<u>\$ 9,035</u>	<u>\$ 115,527</u>
Net assets:			
Cash and investments	<u>\$ 63,018</u>	<u>\$ 9,035</u>	<u>\$ 115,527</u>
Total net assets - cash and investment basis held in trust	<u>\$ 63,018</u>	<u>\$ 9,035</u>	<u>\$ 115,527</u>

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

TAYLOR 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: Taylor 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 in a joint venture to operate Kokomo Area Career Center which was created to provide vocational educational services. The School Corporation is obligated by contract to remit \$60,000 annually to supplement the Kokomo Area Career Center. Complete financial statements for the Kokomo Area Career Center can be obtained from Kokomo-Center Township Consolidated School Corporation.

The School Corporation is a participant in a joint venture to operate Kokomo Area Special Education Cooperative which was created to provide educational services. The Kokomo Area Special Education Cooperative pays its surplus to the participants. Complete financial statements for the Kokomo Area Special Education Cooperative can be obtained from Kokomo-Center Township Consolidated School Corporation.

The School Corporation is a participant in a joint venture to operate Wabash Valley Education Service Center which was created to operate and maintain an educational service for curriculum development, cooperative purchasing and financial management. The School Corporation is obligated by contract to remit \$20,702 annually to supplement the Wabash Valley Education Service Center. Complete financial statements for the Wabash Valley Education Service Center can be obtained from 3061 Benton Street, West Lafayette, Indiana 47906-1129.

The School Corporation is a participant with seven other schools in a joint venture to operate the Indiana School Trust which was created to provide insurance purchasing services to member schools. The School Corporation is obligated by contract to remit annually a prorated share of the cost of the program to supplement the Co-op. Complete financial statements for the co-op can be obtained from Taylor Community School Corporation.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

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

The Capital Projects Fund accounts for planned construction, repair, replacement or remodeling of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the 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 Corporation.

The private-purpose trust funds report a trust arrangement under which principal and income benefit the students of the School Corporation.

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

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by State statute:

Fund	2009	2010
Textbook Rental	\$ 228,534	\$ 204,689
Title II, Part A	-	7,660

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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's deposit policy for custodial credit risk is to deposit public funds only in eligible financial institutions and only in financial instruments authorized by Indiana Laws. At June 30, 2010, the School Corporation had deposit balances in the amount of \$426,856.

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

2. Investments

As of June 30, 2010, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Repurchase agreements	\$ <u>4,092,497</u>

Statutory Authorization for Investments

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

The following investments held by the School Corporation were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Primary Government:

Investment Type	2010	
	In the Government's Name	Not in the Government's Name
Repurchase agreements	\$ -	\$ 4,092,497

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation's investment policy for interest rate risk is that investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury must mature or be redeemable with the current fiscal year. With respect to investments under a repurchased agreement, the maturities may not exceed two years.

Primary Government:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Repurchase agreements	\$ 4,092,497	\$ -	\$ -

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The School Corporation's investment policy for credit risk is to invest only in bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or in obligations of the State.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation's investment policy for concentration of credit risk is that investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount up to 100% of the available resources. United States of America governmental agency securities are exempt from this policy requirement. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
Other Governmental Funds	General Fund	\$ 12,829	\$ 108,558
	Other Governmental Funds	<u>8,196</u>	<u>13,773</u>
Totals		<u>\$ 21,025</u>	<u>\$ 122,331</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.

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

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

B. Holding Corporation

The School Corporation has entered into a capital lease with Taylor 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 ended June 30, 2009 and 2010, totaled \$1,647,500, and \$1,652,500, respectively.

C. Termination Benefits

2003-04 Early Retirement Incentive

During the 2003-04 school year, the School Corporation offered an early retirement incentive to all teachers who had a minimum of ten consecutive years of teacher service in the School Corporation and had reached the "Rule of 85" (a combination of the teacher's age and years of total teaching experience) or is no more than seven years from attaining early eligibility for "federal old age insurance benefits."

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Benefits offered by the School Corporation to qualifying teachers under this program include:

1. An amount equal to the teacher's last contract salary minus the salary of a beginning teacher (BS degree) times 40% for the period of years of the retiring teachers' eligibility. These benefits will expire after seven years or upon the retiring teacher's attaining early eligibility for "federal old age insurance benefits";
2. A teacher who retires early and receives the early retirement bonus shall be able to continue any or all of the group insurance policies with the School Corporation at the teacher's expense.

Payments under this incentive plan totaled \$41,371 and \$10,422 for the school years ended June 30, 2009 and June 30, 2010, respectively.

2004-05 Early Retirement Incentive

During the 2004-05 school year, the School Corporation offered an early retirement incentive to all teachers who meet the Teachers Retirement Fund's (TRF) normal or early retirement requirement on or before August 18, 2005 or August 18, 2006.

Benefits offered by the School Corporation to qualifying teachers under this program include:

1. A bonus incentive of \$10,000 paid on January 15, 2006, (for 2005 retirees) or January 15, 2007, (for 2006 retirees) to be paid under the following options:
 - a. in cash; or
 - b. into the retiring employee's 401(a); or
 - c. into the retiring employee's 403(b); or
 - d. into the retiring employee's VEBA account;
2. An amount equal to the School Corporation's current contribution for a single health insurance plan according to the Master Agreement during each year for five full school years after retirement, to be paid January 15 of each year under the following options:
 - a. in cash; or
 - b. into the retiring employee's 401(a); or
 - c. into the retiring employee's 403(b); or
 - d. into the retiring employee's VEBA account;
3. Employees retiring under this incentive plan shall have the right to remain on the School Corporation's health insurance program, at their own cost, until the employee is eligible for full Medicare insurance coverage.

Payments under this incentive plan totaled \$80,000 and \$80,000 for the school years ended June 30, 2009 and June 30, 2010, respectively.

2006-07 Early Retirement Incentive

During the 2006-07 school year, the School Corporation offered an early retirement incentive to all teachers who meet the Teachers Retirement Fund's (TRF) normal or early retirement requirement on or before August 18, 2007 or August 18, 2008.

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Benefits offered by the School Corporation to qualifying teachers under this program include:

1. A bonus incentive of \$10,000 paid on January 15, 2008, into the VEBA account of an employee retiring on June 15, 2007, only.
2. An amount equal to the School Corporation's current contribution for a single health insurance plan according to the Master Agreement during each year for five full school years after retirement, to be paid January 15 of each year into the retiring employee's VEBA account.
3. Employees retiring under this incentive plan shall have the right to remain on the School Corporation's health insurance program, at their own cost, until the employee is eligible for full Medicare insurance coverage.

Payments under this incentive plan totaled \$30,160 and \$40,000 for the school years ended June 30, 2009 and June 30, 2010, respectively.

2009-10 Early Retirement Incentive

During the 2009-10 school year, the School Corporation offered an early retirement incentive to all teachers who meet the Teachers Retirement Fund's (TRF) normal or early retirement requirement on or before the first teacher day of 2009-2010 or 2010-2011 school years.

Benefits offered by the School Corporation to qualifying teachers under this program include:

1. An amount equal to the School Corporation's current contribution for a single health insurance plan according to the Master Agreement during each year for five full school years after retirement, to be paid January 15 of each year into the retiring employee's VEBA account.
2. Employees retiring under this incentive plan shall have the right to remain on the School Corporation's health insurance program, at their own cost, until the employee is eligible for full Medicare insurance coverage.

Payments under this incentive plan totaled \$0 and \$0 for the school years ended June 30, 2009 and June 30, 2010, respectively.

D. Pension Plan

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

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$141,311.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

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

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

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

TAYLOR COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7.75% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2010, 2009, and 2008, were \$199,638, \$185,192, and \$167,877, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

TAYLOR COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 1,640,430	\$ 1,836,996	\$ (196,566)	89%	\$ 1,481,127	(13%)
07-01-08	1,665,051	1,890,026	(224,975)	88%	1,461,210	(15%)
07-01-09	1,826,464	2,047,580	(221,116)	89%	1,673,797	(13%)

TAYLOR 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	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plates
Receipts:						
Local sources	\$ 674,402	\$ 8,153	\$ 341,772	\$ 112,929	\$ -	\$ -
Intermediate sources	-	-	-	-	-	544
State sources	-	54,349	5,305	72,186	-	-
Federal sources	-	-	248,949	-	-	-
Temporary loans	339,367	-	-	-	-	-
Other	18	-	2,831	24,198	-	-
Total receipts	1,013,787	62,502	598,857	209,313	-	544
Disbursements:						
Current:						
Instruction	-	40,526	-	-	-	-
Support services	616,170	-	59	221,197	-	-
Noninstructional services	-	-	609,688	-	-	-
Facilities acquisition and construction	568	-	-	-	-	-
Debt services	377,006	-	-	-	-	-
Nonprogrammed charges	19,470	-	-	-	-	-
Total disbursements	1,013,214	40,526	609,747	221,197	-	-
Excess (deficiency) of receipts over disbursements	573	21,976	(10,890)	(11,884)	-	544
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(12,829)	-
Total other financing sources (uses)	-	-	-	-	(12,829)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	573	21,976	(10,890)	(11,884)	(12,829)	544
Cash and investments - beginning	203,979	90,289	42,971	(216,650)	12,829	6,159
Cash and investments - ending	<u>\$ 204,552</u>	<u>\$ 112,265</u>	<u>\$ 32,081</u>	<u>\$ (228,534)</u>	<u>\$ -</u>	<u>\$ 6,703</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 204,552	\$ 112,265	\$ 32,081	\$ (228,534)	\$ -	\$ 6,703
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 204,552	\$ 112,265	\$ 32,081	\$ (228,534)	\$ -	\$ 6,703
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	204,552	112,265	32,081	(228,534)	-	6,703
Total cash and investment fund balance - ending	\$ 204,552	\$ 112,265	\$ 32,081	\$ (228,534)	\$ -	\$ 6,703

TAYLOR 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)

	Library	High Ability Grant 2008-2009	Student Drug Testing	Robo-Titans	Non-English Speaking Program	Technology Plan Grant Program
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ 344
Intermediate sources	-	-	-	-	-	-
State sources	-	31,730	-	5,018	1,649	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	383	-	20	-	-	16,309
Total receipts	383	31,730	20	5,268	1,649	16,653
Disbursements:						
Current:						
Instruction	27,410	31,730	-	4,999	3,491	-
Support services	263	-	20	-	-	3,625
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	15,968
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	27,673	31,730	20	4,999	3,491	19,593
Excess (deficiency) of receipts over disbursements	(27,290)	-	-	269	(1,842)	(2,940)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,290)	-	-	269	(1,842)	(2,940)
Cash and investments - beginning	27,926	-	-	5	1,908	10,003
Cash and investments - ending	\$ 636	\$ -	\$ -	\$ 274	\$ 66	\$ 7,063
Cash and Investment Assets - Ending						
Cash and investments	\$ 636	\$ -	\$ -	\$ 274	\$ 66	\$ 7,063
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 636	\$ -	\$ -	\$ 274	\$ 66	\$ 7,063
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	636	-	-	274	66	7,063
Total cash and investment fund balance - ending	\$ 636	\$ -	\$ -	\$ 274	\$ 66	\$ 7,063

TAYLOR 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)

	Project Lead The Way - TMS	Title I 2007-2008	Title I 2008-2009	Drug Free Schools	Title IV Drug Free 2006-2007	Project Lead The Way
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	15,000	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	26,821	202,864	5,043	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	15,000	26,821	202,864	5,043	-	-
Disbursements:						
Current:						
Instruction	-	26,951	180,215	-	-	-
Support services	-	390	9,194	5,043	2,128	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	15,000	-	-	-	-	2,442
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	15,000	27,341	189,409	5,043	2,128	2,442
Excess (deficiency) of receipts over disbursements	-	(520)	13,455	-	(2,128)	(2,442)
Other financing sources (uses):						
Transfers in	-	-	8,196	-	-	-
Transfers out	-	(8,196)	-	-	-	-
Total other financing sources (uses)	-	(8,196)	8,196	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(8,716)	21,651	-	(2,128)	(2,442)
Cash and investments - beginning	-	8,716	-	-	2,128	2,615
Cash and investments - ending	\$ -	\$ -	\$ 21,651	\$ -	\$ -	\$ 173
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 21,651	\$ -	\$ -	\$ 173
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 21,651	\$ -	\$ -	\$ 173
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	21,651	-	-	173
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 21,651	\$ -	\$ -	\$ 173

TAYLOR 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 IIA 2007	English Language Acquisition	Fiscal Stabilization - Education	Retirement Severance/ Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 441,755	\$ 106,572	\$ 1,686,177
Intermediate sources	-	-	-	-	-	15,544
State sources	-	-	-	-	-	170,237
Federal sources	48,000	2,461	795,916	-	-	1,330,054
Temporary loans	-	-	-	139,423	83,170	561,960
Other	-	-	-	-	-	43,759
Total receipts	<u>48,000</u>	<u>2,461</u>	<u>795,916</u>	<u>581,178</u>	<u>189,742</u>	<u>3,807,731</u>
Disbursements:						
Current:						
Instruction	38,420	2,461	359,203	-	-	715,406
Support services	1,475	-	158,484	-	83,476	1,101,524
Noninstructional services	-	-	10,175	-	-	619,863
Facilities acquisition and construction	-	-	-	-	-	33,978
Debt services	-	-	-	522,334	-	899,340
Nonprogrammed charges	-	-	-	-	-	19,470
Total disbursements	<u>39,895</u>	<u>2,461</u>	<u>527,862</u>	<u>522,334</u>	<u>83,476</u>	<u>3,389,581</u>
Excess (deficiency) of receipts over disbursements	<u>8,105</u>	<u>-</u>	<u>268,054</u>	<u>58,844</u>	<u>106,266</u>	<u>418,150</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	8,196
Transfers out	-	-	-	-	-	(21,025)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,829)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>8,105</u>	<u>-</u>	<u>268,054</u>	<u>58,844</u>	<u>106,266</u>	<u>405,321</u>
Cash and investments - beginning	<u>(8,105)</u>	<u>-</u>	<u>-</u>	<u>74,515</u>	<u>20,373</u>	<u>279,661</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,054</u>	<u>\$ 133,359</u>	<u>\$ 126,639</u>	<u>\$ 684,982</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 268,054	\$ -	\$ 126,639	\$ 551,623
Restricted assets:						
Cash and investments	-	-	-	133,359	-	133,359
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,054</u>	<u>\$ 133,359</u>	<u>\$ 126,639</u>	<u>\$ 684,982</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 133,359	\$ -	\$ 133,359
Unrestricted	-	-	268,054	-	126,639	551,623
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,054</u>	<u>\$ 133,359</u>	<u>\$ 126,639</u>	<u>\$ 684,982</u>

TAYLOR 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	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plates	New Tech Cell Grant
Receipts:							
Local sources	\$ 872,486	\$ -	\$ 313,997	\$ 112,944	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	169	125,000
State sources	-	26,125	5,591	80,475	19,918	-	-
Federal sources	-	-	315,436	-	-	-	-
Temporary loans	257,710	-	-	-	-	-	-
Other	2,156	-	2,176	-	-	-	-
Total receipts	1,132,352	26,125	637,200	193,419	19,918	169	125,000
Disbursements:							
Current:							
Instruction	-	29,832	-	-	-	-	50,000
Support services	650,470	-	728	169,574	-	-	-
Noninstructional services	-	-	577,606	-	-	-	-
Facilities acquisition and construction	1,380	-	-	-	-	-	-
Debt services	385,422	-	-	-	-	-	-
Nonprogrammed charges	14,533	-	-	-	-	-	-
Total disbursements	1,051,805	29,832	578,334	169,574	-	-	50,000
Excess (deficiency) of receipts over disbursements	80,547	(3,707)	58,866	23,845	19,918	169	75,000
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(108,558)	-	-	-	-	-
Total other financing sources (uses)	-	(108,558)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	80,547	(112,265)	58,866	23,845	19,918	169	75,000
Cash and investments - beginning	204,552	112,265	32,081	(228,534)	-	6,703	-
Cash and investments - ending	\$ 285,099	\$ -	\$ 90,947	\$ (204,689)	\$ 19,918	\$ 6,872	\$ 75,000
Cash and Investment Assets - Ending							
Cash and investments	\$ 285,099	\$ -	\$ 90,947	\$ (204,689)	\$ 19,918	\$ 6,872	\$ 75,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 285,099	\$ -	\$ 90,947	\$ (204,689)	\$ 19,918	\$ 6,872	\$ 75,000
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	285,099	-	90,947	(204,689)	19,918	6,872	75,000
Total cash and investment fund balance - ending	\$ 285,099	\$ -	\$ 90,947	\$ (204,689)	\$ 19,918	\$ 6,872	\$ 75,000

TAYLOR 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)

	Library	High Ability Grant 2009-2010	Kroger Grant - TPS	Robo-Titans	Non-English Speaking Program	Technology Plan Grant Program	IN Respect Grant 2008-2009
Receipts:							
Local sources	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	31,276	-	3,999	3,824	-	6,101
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	402	-	-	-	-	13,726	-
Total receipts	402	31,276	5,000	3,999	3,824	13,726	6,101
Disbursements:							
Current:							
Instruction	-	25,565	4,744	3,999	3,890	-	-
Support services	-	-	-	-	-	1,624	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	11,045	6,101
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	25,565	4,744	3,999	3,890	12,669	6,101
Excess (deficiency) of receipts over disbursements	402	5,711	256	-	(66)	1,057	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	1,000	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	402	5,711	256	-	(66)	2,057	-
Cash and investments - beginning	636	-	-	274	66	7,063	-
Cash and investments - ending	\$ 1,038	\$ 5,711	\$ 256	\$ 274	\$ -	\$ 9,120	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,038	\$ 5,711	\$ 256	\$ 274	\$ -	\$ 9,120	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,038	\$ 5,711	\$ 256	\$ 274	\$ -	\$ 9,120	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,038	5,711	256	274	-	9,120	-
Total cash and investment fund balance - ending	\$ 1,038	\$ 5,711	\$ 256	\$ 274	\$ -	\$ 9,120	\$ -

TAYLOR 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)

	School Trust of Indiana	Title I 2008-2009	Title I 2009-2010	Innovative Education Program Title V	Drug Free Schools 2008-2009	Project Lead The Way	Title II Part A
Receipts:							
Local sources	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	15,000	214,933	935	4,011	-	59,193
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	30,000	15,000	214,933	935	4,011	-	59,193
Disbursements:							
Current:							
Instruction	-	20,894	211,074	-	-	-	66,853
Support services	2,200	365	3,095	935	4,011	-	-
Noninstructional services	-	1,619	3,544	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,200	22,878	217,713	935	4,011	-	66,853
Excess (deficiency) of receipts over disbursements	27,800	(7,878)	(2,780)	-	-	-	(7,660)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	13,773	-	-	-	-
Transfers out	-	(13,773)	-	-	-	-	-
Total other financing sources (uses)	-	(13,773)	13,773	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,800	(21,651)	10,993	-	-	-	(7,660)
Cash and investments - beginning	-	21,651	-	-	-	173	-
Cash and investments - ending	\$ 27,800	\$ -	\$ 10,993	\$ -	\$ -	\$ 173	\$ (7,660)
Cash and Investment Assets - Ending							
Cash and investments	\$ 27,800	\$ -	\$ 10,993	\$ -	\$ -	\$ 173	\$ (7,660)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 27,800	\$ -	\$ 10,993	\$ -	\$ -	\$ 173	\$ (7,660)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,800	-	10,993	-	-	173	(7,660)
Total cash and investment fund balance - ending	\$ 27,800	\$ -	\$ 10,993	\$ -	\$ -	\$ 173	\$ (7,660)

TAYLOR 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)

	Fiscal Stabilization - Education	Title I - Grants To LEA's	Special Education Part B	Special Education Preschool	Retirement Severance/ Bond	School Bus Replacement	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 618,443	\$ 160,641	\$ 2,113,511
Intermediate sources	-	-	-	-	-	-	125,169
State sources	-	-	-	-	-	-	177,309
Federal sources	291,197	73,025	151,022	5,501	-	-	1,130,253
Temporary loans	-	-	-	-	-	-	257,710
Other	-	-	-	-	-	-	18,460
Total receipts	291,197	73,025	151,022	5,501	618,443	160,641	3,822,412
Disbursements:							
Current:							
Instruction	427,755	57,813	140,988	4,416	-	-	1,047,823
Support services	118,619	-	10,000	-	-	96,136	1,057,757
Noninstructional services	12,877	-	-	-	-	-	595,646
Facilities acquisition and construction	-	-	-	-	-	-	18,526
Debt services	-	-	-	-	529,705	83,170	998,297
Nonprogrammed charges	-	-	-	-	-	-	14,533
Total disbursements	559,251	57,813	150,988	4,416	529,705	179,306	3,732,582
Excess (deficiency) of receipts over disbursements	(268,054)	15,212	34	1,085	88,738	(18,665)	89,830
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	1,000
Transfers in	-	-	-	-	-	-	13,773
Transfers out	-	-	-	-	-	-	(122,331)
Total other financing sources (uses)	-	-	-	-	-	-	(107,558)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(268,054)	15,212	34	1,085	88,738	(18,665)	(17,728)
Cash and investments - beginning	268,054	-	-	-	133,359	126,639	684,982
Cash and investments - ending	\$ -	\$ 15,212	\$ 34	\$ 1,085	\$ 222,097	\$ 107,974	\$ 667,254
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 15,212	\$ 34	\$ 1,085	\$ -	\$ 107,974	\$ 445,157
Restricted assets:							
Cash and investments	-	-	-	-	222,097	-	222,097
Total cash and investment assets - ending	\$ -	\$ 15,212	\$ 34	\$ 1,085	\$ 222,097	\$ 107,974	\$ 667,254
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	222,097	-	222,097
Unrestricted	-	15,212	34	1,085	-	107,974	445,157
Total cash and investment fund balance - ending	\$ -	\$ 15,212	\$ 34	\$ 1,085	\$ 222,097	\$ 107,974	\$ 667,254

TAYLOR 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>Donations for Employee Lunch</u>	<u>School Improvement</u>	<u>Donations For Tech Ed</u>	<u>Instructional Support Special Ed Equipment</u>	<u>Rainbow Gold at Both Ends - THS</u>
Additions:					
Contributions:					
Other	\$ 617	\$ 3,000	\$ 1,250	\$ -	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total additions	<u>617</u>	<u>3,000</u>	<u>1,250</u>	<u>-</u>	<u>-</u>
Deductions:					
Administrative and general	<u>339</u>	-	-	-	-
Excess (deficiency) of total additions over total deductions	278	3,000	1,250	-	-
Cash and investment fund balance - beginning	<u>183</u>	-	-	<u>542</u>	<u>300</u>
Cash and investments - June 30	<u>\$ 461</u>	<u>\$ 3,000</u>	<u>\$ 1,250</u>	<u>\$ 542</u>	<u>\$ 300</u>
Net assets:					
Cash and investments	<u>\$ 461</u>	<u>\$ 3,000</u>	<u>\$ 1,250</u>	<u>\$ 542</u>	<u>\$ 300</u>
Total net assets - cash and investment basis held in trust	<u>\$ 461</u>	<u>\$ 3,000</u>	<u>\$ 1,250</u>	<u>\$ 542</u>	<u>\$ 300</u>

TAYLOR 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)

	<u>CAAVES Study Grant</u>	<u>Purdue High School FACS Grant</u>	<u>Novanet Credit Recovery</u>	<u>Heroes Food Pantry</u>	<u>Heroes Grant</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 1,350	\$ 500	\$ 3,305
Investment earnings:					
Interest	-	-	-	-	-
Total additions	<u>-</u>	<u>-</u>	<u>1,350</u>	<u>500</u>	<u>3,305</u>
Deductions:					
Administrative and general	<u>1,863</u>	<u>-</u>	<u>100</u>	<u>45</u>	<u>624</u>
Excess (deficiency) of total additions over total deductions	(1,863)	-	1,250	455	2,681
Cash and investment fund balance - beginning	<u>2,923</u>	<u>861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - June 30	<u>\$ 1,060</u>	<u>\$ 861</u>	<u>\$ 1,250</u>	<u>\$ 455</u>	<u>\$ 2,681</u>
Net assets:					
Cash and investments	<u>\$ 1,060</u>	<u>\$ 861</u>	<u>\$ 1,250</u>	<u>\$ 455</u>	<u>\$ 2,681</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,060</u>	<u>\$ 861</u>	<u>\$ 1,250</u>	<u>\$ 455</u>	<u>\$ 2,681</u>

TAYLOR 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)

	Mary Wooldridge Scholarship	E. Karavitis English Scholarship	Taylor Scholarship Fund	SADD Grant	Totals
Additions:					
Contributions:					
Other	\$ 508	\$ 851	\$ 4,482	\$ 200	\$ 16,063
Investment earnings:					
Interest	34	5	3	-	42
Total additions	542	856	4,485	200	16,105
Deductions:					
Administrative and general	500	500	4,059	666	8,696
Excess (deficiency) of total additions over total deductions	42	356	426	(466)	7,409
Cash and investment fund balance - beginning	1,083	123	142	488	6,645
Cash and investments - June 30	<u>\$ 1,125</u>	<u>\$ 479</u>	<u>\$ 568</u>	<u>\$ 22</u>	<u>\$ 14,054</u>
Net assets:					
Cash and investments	\$ 1,125	\$ 479	\$ 568	\$ 22	\$ 14,054
Total net assets - cash and investment basis held in trust	<u>\$ 1,125</u>	<u>\$ 479</u>	<u>\$ 568</u>	<u>\$ 22</u>	<u>\$ 14,054</u>

TAYLOR 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

	Donations for Employee Lunch	School Improvement	Donations For Tech Ed	Instructional Support Special Ed Equipment	Rainbow Gold at Both Ends - THS	CAAVES Study Grant
Additions:						
Contributions:						
Other	\$ 681	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	<u>870</u>	<u>1,375</u>	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>567</u>
Excess (deficiency) of total additions over total deductions	(189)	(1,375)	(1,250)	-	-	(567)
Cash and investment fund balance - beginning	<u>461</u>	<u>3,000</u>	<u>1,250</u>	<u>542</u>	<u>300</u>	<u>1,060</u>
Cash and investments - June 30	<u>\$ 272</u>	<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 300</u>	<u>\$ 493</u>
Net assets:						
Cash and investments	<u>\$ 272</u>	<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 300</u>	<u>\$ 493</u>
Total net assets - cash and investment basis held in trust	<u>\$ 272</u>	<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 300</u>	<u>\$ 493</u>

TAYLOR 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>Purdue High School FACS Grant</u>	<u>Novanet Credit Recovery</u>	<u>Heroes Food Pantry</u>	<u>Heroes Grant</u>	<u>Mary Wooldridge Scholarship</u>
Additions:					
Contributions:					
Other	\$ -	\$ 2,225	\$ -	\$ 3,305	\$ 500
Investment earnings:					
Interest	-	-	-	-	32
Total additions	<u>-</u>	<u>2,225</u>	<u>-</u>	<u>3,305</u>	<u>532</u>
Deductions:					
Administrative and general	<u>-</u>	<u>350</u>	<u>455</u>	<u>5,986</u>	<u>500</u>
Excess (deficiency) of total additions over total deductions	-	1,875	(455)	(2,681)	32
Cash and investment fund balance - beginning	<u>861</u>	<u>1,250</u>	<u>455</u>	<u>2,681</u>	<u>1,125</u>
Cash and investments - June 30	<u>\$ 861</u>	<u>\$ 3,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157</u>
Net assets:					
Cash and investments	<u>\$ 861</u>	<u>\$ 3,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157</u>
Total net assets - cash and investment basis held in trust	<u>\$ 861</u>	<u>\$ 3,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157</u>

TAYLOR 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)

	E. Karavitis English Scholarship	Taylor Scholarship Fund	SADD Grant	Titans of Taylor	Totals
Additions:					
Contributions:					
Other	\$ 250	\$ 3,535	\$ -	\$ 960	\$ 11,456
Investment earnings:					
Interest	11	17	-	-	60
Total additions	261	3,552	-	960	11,516
Deductions:					
Administrative and general	500	3,700	22	960	16,535
Excess (deficiency) of total additions over total deductions	(239)	(148)	(22)	-	(5,019)
Cash and investment fund balance - beginning	479	568	22	-	14,054
Cash and investments - June 30	<u>\$ 240</u>	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,035</u>
Net assets:					
Cash and investments	<u>\$ 240</u>	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,035</u>
Total net assets - cash and investment basis held in trust	<u>\$ 240</u>	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,035</u>

TAYLOR 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	Prepaid Food	Totals
Additions:			
Agency fund additions	\$ 2,943,922	\$ 4,657	\$ 2,948,579
Deductions:			
Agency fund deductions	2,922,462	-	2,922,462
Excess of total additions over total deductions	21,460	4,657	26,117
Cash and investment fund balance - beginning	47,785	-	47,785
Cash and investment fund balance - ending	\$ 69,245	\$ 4,657	\$ 73,902

TAYLOR 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</u>	<u>Prepaid Food</u>	<u>Totals</u>
Additions:			
Agency fund additions	\$ 2,546,860	\$ 2,528	\$ 2,549,388
Deductions:			
Agency fund deductions	<u>2,507,763</u>	-	<u>2,507,763</u>
Excess of total additions over total deductions	39,097	2,528	41,625
Cash and investment fund balance - beginning	<u>69,245</u>	<u>4,657</u>	<u>73,902</u>
Cash and investment fund balance - ending	<u>\$ 108,342</u>	<u>\$ 7,185</u>	<u>\$ 115,527</u>

TAYLOR 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 64,787
Buildings	29,653,269
Improvements other than buildings	1,531,133
Machinery and equipment	<u>1,730,626</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 32,979,815</u>

TAYLOR COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
School buildings	\$ 12,940,000	\$ 1,657,000
Notes and loans payable	357,292	360,531
Bonds payable:		
General obligation bonds:		
Retirement/Severance	<u>2,120,000</u>	<u>388,028</u>
Total governmental activities debt	<u>\$ 15,417,292</u>	<u>\$ 2,405,559</u>

TAYLOR COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROVED DEPOSITORY

The School Corporation has funds deposited in a financial institution that is not an approved depository eligible to receive State funds. A similar comment was in prior Report B34421.

IC 5-13-8-1(a) states in part: "A political subdivision may deposit public funds in a financial institution only if the financial institution: (1) is a depository eligible to receive state funds; . . ."

OVERDRAWN CASH BALANCES

Cash balances of the Textbook Rental Fund and the Title II Part A Fund were overdrawn as noted below:

	<u>06-30-09</u>	<u>06-30-10</u>
Textbook Rental Fund	\$ 228,534	\$ 204,689
Title II, Part A	-	7,660

A similar comment was in prior Reports B29280 and B34421.

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

FUND SOURCES AND USES (Applies to Taylor Primary School)

Funds were disbursed from various student extra-curricular accounts for staff related expenses.

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)

TAYLOR COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

DISBURSEMENT DOCUMENTATION (Applies to Taylor Primary School)

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices. 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)

USE OF FORM SA-1, PURCHASE ORDER AND ACCOUNTS PAYABLE VOUCHER
(Applies to Taylor Intermediate School)

The Form SA-1, Purchase Order and Accounts Payable Voucher, did not contain all information necessary to constitute a valid voucher. Proper signatures were not evident on several vouchers reviewed.

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE TAYLOR COMMUNITY
SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

Compliance

We have audited the compliance of the Taylor 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.

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

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

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

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

STATE BOARD OF ACCOUNTS

January 12, 2011

TAYLOR 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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 09 FY 10	\$ 44,993 -	\$ - 46,639
Total for program			44,993	46,639
National School Lunch Program	10.555	FY 09 FY 10	232,437 -	- 277,395
Total for program			232,437	277,395
Summer Food Service Program for Children	10.559	FY 10	-	21,018
Total for cluster			277,430	345,052
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	08-3460 09-3460 10-3460	27,341 189,409 -	- 22,878 217,713
Total for program			216,750	240,591
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-3460	-	57,813
Total for cluster			216,750	298,404
Pass-Through Kokomo-Center Township Consolidated School Corporation Special Education Cluster ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-035-SN01	-	150,988
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-035-SN01	-	4,416
Total for cluster			-	155,404
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY09 FY10	527,862 -	372,159 187,092
Total for program			527,862	559,251
Pass-Through University of Indianapolis ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	New Tech	-	50,000
Total for cluster			527,862	609,251
Pass-Through Indiana Department of Workforce Development Career and Technical Education - Basic Grants to States	84.048	C1-9-CPR-8-100 C1-0-CPR-9-100	4,999 -	- 3,999
Total for program			4,999	3,999

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

TAYLOR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

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
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		06-3460	2,128	-
		07-3460	5,043	-
		08-3460	-	4,011
Total for program			<u>7,171</u>	<u>4,011</u>
Pass-Through Purdue University Tech-Prep Education	84.243			
		Wired-5-59	15,000	-
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		07-3460	-	935
Pass-Through Wabash Valley Education Center English Language Acquisition Grants	84.365			
		FY 09	2,461	-
		FY 10	-	1,371
Total for program			<u>2,461</u>	<u>1,371</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		06-3460	7,046	-
		07-3460	30,846	8,821
		08-3460	2,003	50,372
		09-3460	-	7,660
Total for program			<u>39,895</u>	<u>66,853</u>
Total for federal grantor agency			<u>814,138</u>	<u>1,140,228</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana State Department of Health Abstinence Education Program	93.235			
		AEBG 448-1	-	6,101
<u>U.S. SOCIAL SECURITY ADMINISTRATION</u>				
Pass-Through Family and Social Services Administration Social Security - Disability Insurance	96.001			
		FY10	-	28
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through United Way of America ARRA - Emergency Food and Shelter National Board Program (ARRA)	97.114			
		269200-009	624	5,986
Total federal awards expended			<u>\$ 1,092,192</u>	<u>\$ 1,497,395</u>

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

TAYLOR 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 Taylor 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 schools 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
National School Lunch Program	10.555	\$ 28,522	\$ 29,616

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

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

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TAYLOR COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TAYLOR COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2011, with Deborah Barton, Treasurer.

The official response has been made a part of this report and may be found on page 56.

TAYLOR COMMUNITY SCHOOL CORPORATION

Office of the Superintendent

3750 E. Co. Rd. 300 S.

(765) 453-3035 • FAX (765) 455-8531

Kokomo, Indiana 46902

John Magers, Ph.D.
Superintendent of Schools

January 25, 2011

Indiana State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

Re: Official Response to Audit Results and Comments

To Whom It May Concern:

Please consider the following as the official response of the Taylor Community School Corporation in regard to our most recent audit for the period of July 1, 2008 to June 30, 2010. It is my understanding that the official response will become part of the formal audit report.

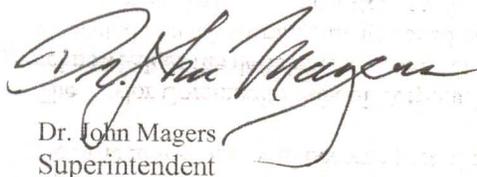
The Taylor Community School Corporation appreciates the work of the State Board of Accounts and acknowledges the deficiencies noted. The financial institution that is not an approved depository was contacted about becoming an approved depository, but they do not wish to do the paperwork needed to do so. We have plans to issue a Request for Proposal to financial institutions, with the possibility of transferring all corporation bank accounts to a new financial institution. Once a decision is made on a financial institution, the funds will be transferred from the unapproved depository to an approved financial institution.

The Title II, Part A fund was overdrawn due to the State of Indiana's new procedure requiring funds to be expended before requesting reimbursement from the State. Procedures have been established to ensure reimbursement is requested in the same month in which the expenditure occurs.

Taylor Primary School ceased disbursing staff related expenses from student extra-curricular accounts prior to the end of the audit period. Also, Taylor Primary School has established procedures to ensure that adequate supporting documentation will be obtained for all payments. Taylor Intermediate School has established procedures to ensure that all vouchers have proper signatures.

As we address these issues, the Taylor Community Corporation looks forward to the next formal audit, at which time we hope to verify our success.

Respectfully submitted,



Dr. John Magers
Superintendent

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