

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

AUDIT REPORT
OF

UNION COUNTY/COLLEGE
CORNER JOINT SCHOOL DISTRICT
UNION COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED

03/16/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Marsha Maze Jennifer Gronning	07-01-08 to 08-15-10 08-16-10 to 06-30-11
Superintendent of Schools	Lynn Sheets Zach Rozelle	07-01-08 to 06-30-10 07-01-10 to 06-30-11
President of the School Board	Michael Murray	07-01-08 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE UNION COUNTY/COLLEGE CORNER
JOINT SCHOOL DISTRICT, UNION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union County/College Corner Joint School District (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 February 7, 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 School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, 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.

STATE BOARD OF ACCOUNTS

February 7, 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 UNION COUNTY/COLLEGE CORNER
JOINT SCHOOL DISTRICT, UNION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union County/College Corner Joint School District (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 February 7, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 7, 2011

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 8,452,973	\$ -	\$ 231,840	\$ (8,221,133)
Support services	5,521,450	540,530	334,832	(4,646,088)
Noninstructional services	900,378	-	-	(900,378)
Facilities acquisition and construction	847,991	-	-	(847,991)
Debt service	3,380,124	-	-	(3,380,124)
Nonprogrammed charges	517,837	-	-	(517,837)
<u>Total governmental activities</u>	<u>\$ 19,620,753</u>	<u>\$ 540,530</u>	<u>\$ 566,672</u>	<u>(18,513,551)</u>
General receipts:				
Property taxes				5,689,061
Other local sources				2,637,451
State aid				7,383,406
Bonds and loans				500,000
Grants and contributions not restricted to specific programs				2,735,782
Investment earnings				17,046
Other				<u>180,582</u>
Total general receipts				<u>19,143,328</u>
Change in net assets				629,777
Net assets - beginning				<u>894,080</u>
Net assets - ending				<u>\$ 1,523,857</u>
<u>Assets</u>				
Cash and investments				\$ 2,029,890
Restricted assets:				
Cash and investments				<u>(506,033)</u>
Total assets				<u>\$ 1,523,857</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (506,033)
Unrestricted				<u>2,029,890</u>
Total net assets				<u>\$ 1,523,857</u>

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 8,862,023	\$ -	\$ 185,155	\$ (8,676,868)
Support services	6,074,826	523,253	412,750	(5,138,823)
Noninstructional services	905,634	-	-	(905,634)
Facilities acquisition and construction	614,079	-	-	(614,079)
Debt service	2,053,580	-	-	(2,053,580)
Nonprogrammed charges	328,700	-	-	(328,700)
Total governmental activities	<u>\$ 18,838,842</u>	<u>\$ 523,253</u>	<u>\$ 597,905</u>	<u>(17,717,684)</u>
General receipts:				
Property taxes				6,718,793
Other local sources				1,817,665
State aid				9,250,637
Grants and contributions not restricted to specific programs				3,484,514
Investment earnings				64,994
Other				79,390
Total general receipts				<u>21,415,993</u>
Change in net assets				3,698,309
Net assets - beginning				<u>1,523,854</u>
Net assets - ending				<u>\$ 5,222,163</u>
<u>Assets</u>				
Cash and investments				\$ 4,114,655
Restricted assets:				
Cash and investments				<u>1,107,508</u>
Total assets				<u>\$ 5,222,163</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,107,508
Unrestricted				<u>4,114,655</u>
Total net assets				<u>\$ 5,222,163</u>

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 3,001,687	\$ -	\$ -	\$ 1,877,184	\$ 1,430,042	\$ 2,572,888	\$ 8,881,801
Intermediate sources	1,163	-	-	-	-	1,125	2,288
State sources	7,582,091	-	-	-	-	169,570	7,751,661
Federal sources	-	-	803,687	-	-	2,130,511	2,934,198
Temporary loans	500,000	-	-	-	-	-	500,000
Other	120,478	-	-	-	2,811	57,293	180,582
Total receipts	11,205,419	-	803,687	1,877,184	1,432,853	4,931,387	20,250,530
Disbursements:							
Current:							
Instruction	6,178,083	-	-	-	-	2,274,890	8,452,973
Support services	3,192,344	-	-	-	698,787	1,630,319	5,521,450
Noninstructional services	120,667	-	-	-	-	779,711	900,378
Facilities acquisition and construction	-	-	-	-	847,541	450	847,991
Debt services	1,175,000	67,902	-	1,902,603	-	234,619	3,380,124
Nonprogrammed charges	364,244	-	-	-	-	153,593	517,837
Total disbursements	11,030,338	67,902	-	1,902,603	1,546,328	5,073,582	19,620,753
Excess (deficiency) of receipts over disbursements	175,081	(67,902)	803,687	(25,419)	(113,475)	(142,195)	629,777
Other financing sources (uses):							
Transfers in	-	-	-	-	-	59,597	59,597
Transfers out	-	(7,208)	-	(13,480)	-	(38,909)	(59,597)
Total other financing sources (uses)	-	(7,208)	-	(13,480)	-	20,688	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	175,081	(75,110)	803,687	(38,899)	(113,475)	(121,507)	629,777
Cash and investments - beginning	128,495	656,322	-	(400,505)	(74,779)	584,547	894,080
Cash and investments - ending	\$ 303,576	\$ 581,212	\$ 803,687	\$ (439,404)	\$ (188,254)	\$ 463,040	\$ 1,523,857
Cash and Investment Assets - Ending							
Cash and investments	\$ 303,576	\$ 581,212	\$ 803,687	\$ -	\$ (188,254)	\$ 529,669	\$ 2,029,890
Restricted assets:							
Cash and investments	-	-	-	(439,404)	-	(66,629)	(506,033)
Total cash and investment assets - ending	\$ 303,576	\$ 581,212	\$ 803,687	\$ (439,404)	\$ (188,254)	\$ 463,040	\$ 1,523,857
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ (439,404)	\$ -	\$ (66,629)	\$ (506,033)
Unrestricted	303,576	581,212	803,687	-	(188,254)	529,669	2,029,890
Total cash and investment fund balance - ending	\$ 303,576	\$ 581,212	\$ 803,687	\$ (439,404)	\$ (188,254)	\$ 463,040	\$ 1,523,857

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Rainy Day	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 702,706	\$ -	\$ -	\$ 3,370,754	\$ 2,449,654	\$ 2,597,974	\$ 9,121,088
Intermediate sources	3,053	-	-	-	-	563	3,616
State sources	9,402,821	-	-	-	-	162,799	9,565,620
Federal sources	-	-	326,124	-	-	3,441,312	3,767,436
Other	36,951	-	-	-	-	42,440	79,391
Total receipts	10,145,531	-	326,124	3,370,754	2,449,654	6,245,088	22,537,151
Disbursements:							
Current:							
Instruction	5,129,309	-	1,129,811	-	-	2,602,903	8,862,023
Support services	3,287,706	-	-	-	767,229	2,019,891	6,074,826
Noninstructional services	117,401	-	-	-	-	788,233	905,634
Facilities acquisition and construction	-	-	-	-	614,079	-	614,079
Debt services	-	-	-	1,920,948	-	132,632	2,053,580
Nonprogrammed charges	238,279	-	-	-	-	90,421	328,700
Total disbursements	8,772,695	-	1,129,811	1,920,948	1,381,308	5,634,080	18,838,842
Excess (deficiency) of receipts over disbursements	1,372,836	-	(803,687)	1,449,806	1,068,346	611,008	3,698,309
Other financing sources (uses):							
Transfers in	-	-	-	-	-	12,017	12,017
Transfers out	-	-	-	(827)	-	(11,190)	(12,017)
Total other financing sources (uses)	-	-	-	(827)	-	827	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,372,836	-	(803,687)	1,448,979	1,068,346	611,835	3,698,309
Cash and investments - beginning	303,576	581,212	803,687	(439,405)	(188,256)	463,040	1,523,854
Cash and investments - ending	<u>\$ 1,676,412</u>	<u>\$ 581,212</u>	<u>\$ -</u>	<u>\$ 1,009,574</u>	<u>\$ 880,090</u>	<u>\$ 1,074,875</u>	<u>\$ 5,222,163</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,676,412	\$ 581,212	\$ -	\$ -	\$ 880,090	\$ 976,941	\$ 4,114,655
Restricted assets:							
Cash and investments	-	-	-	1,009,574	-	97,934	1,107,508
Total cash and investment assets - ending	<u>\$ 1,676,412</u>	<u>\$ 581,212</u>	<u>\$ -</u>	<u>\$ 1,009,574</u>	<u>\$ 880,090</u>	<u>\$ 1,074,875</u>	<u>\$ 5,222,163</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 1,009,574	\$ -	\$ 97,934	\$ 1,107,508
Unrestricted	1,676,412	581,212	-	-	880,090	976,941	4,114,655
Total cash and investment fund balance - ending	<u>\$ 1,676,412</u>	<u>\$ 581,212</u>	<u>\$ -</u>	<u>\$ 1,009,574</u>	<u>\$ 880,090</u>	<u>\$ 1,074,875</u>	<u>\$ 5,222,163</u>

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 290	
Cash and investment fund balance - beginning	2,365	
Cash and investment fund balance - ending	\$ 2,655	\$ 90,940
Net assets:		
Cash and investments	\$ 2,655	\$ 90,940
Total net assets - cash and investment basis held in trust	\$ 2,655	\$ 90,940

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 2,000	
Deductions:		
Administrative and general	1,016	
Excess of total additions over total deductions	984	
Cash and investment fund balance - beginning	2,655	
Cash and investment fund balance - ending	<u>\$ 3,639</u>	<u>\$ 69,478</u>
Net assets:		
Cash and investments	<u>\$ 3,639</u>	<u>\$ 69,478</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,639</u>	<u>\$ 69,478</u>

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
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: Union County/College Corner Joint School District

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

Joint Venture

The School Corporation is a participant with Northeastern Wayne School Corporation, Franklin County Community School Corporation and Western Wayne Schools in a joint venture to operate East Central Indiana Special Services District which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit an annual amount determined by a funding formula approved by the District Board. Complete financial statements for the East Central Indiana Special Services District can be obtained from the joint venture's administrative office at 107 Laymon Street, Liberty, Indiana 47353.

The School Corporation is a participant with approximately fifty school corporations in the East Central Indiana Educational Service Center (Co-op) which was created to take advantage of bulk purchasing power, centralized repairs of equipment, and joint in-service training programs. The Co-op's governing board consists of a member selected by each participating school corporation. The board has full authority to manage the Co-op's operations and also maintains the treasury functions. Detailed information may be obtained by contacting East Central Indiana Educational Service Center at 1601 Indiana Avenue, Connersville, Indiana 47331.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government authorized by the Recovery Act to be used to supplement funding of local, state, and federal programs.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase of 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; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

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

Agency funds account for payroll withholdings and the assets belong to the employees. The assets are held by the School until remitted to the appropriate taxing authority or payee.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in 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 except for the distribution due June 30, 2009. The June 30, 2009 distribution was not made by the County Auditor until August 21, 2009.

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.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.
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.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

B. Cash Balance Deficits

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2009	2010
Transportation Operating	\$ 101,694	\$ -
Debt Service	439,404	-
Retirement Bonds	66,629	-
Capital Projects	188,254	-

The cash and investment deficits arose due to the June 30, 2009 settlement of local property taxes not being made on time. The June 30, 2009 settlement was not received by the School Corporation until August 21, 2009.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$5,490,712.

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

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
Rainy Day Fund	Other Governmental Funds	\$ 7,208	\$ -
Debt Service Fund	Other Governmental Funds	13,480	827
Other Governmental Funds	Other Governmental Funds	<u>38,909</u>	<u>11,190</u>
Totals		<u>\$ 59,597</u>	<u>\$ 12,017</u>

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to; 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.

During 1997, the School Corporation joined with other governmental entities in the Greater Randolph County School Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for seven member governmental entities. This risk pool was formed in 1996. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees and dependents. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$100,000 limit.

B. Holding Corporation

The School Corporation has entered into a capital lease with Union County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$1,421,884 and \$1,416,298, respectively.

C. Subsequent Events

The School Corporation is in the process of issuing Qualified School Construction Bonds. The proceeds of the bonds will be used for energy savings projects within Liberty Elementary and Union County High School. The cost of the project is estimated to be approximately \$1,414,325. The construction is scheduled to begin around March 24, 2011, and to be completed by September 1, 2011. The bonds will be issued by Union County School Building Corporation and the assets will be leased to the School. The first lease payment is expected to be made on or about December 31, 2011.

D. Pension Plans

Employees of the School Corporation participate in one of four pension plans. Employees participate in the (1) Indiana's Teachers' Retirement Fund; (2) the Ohio State Teachers' Retirement System; (3) the Indiana Public Employees' Retirement Fund; or (4) the Ohio School Employees' Retirement System. Noncertified personnel (other covered employees) participate in one of the Employees' Retirement Funds while certified personnel (licensed teachers) are members of one of the Teachers' Retirement Funds.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Indiana Plans

1. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$124,984.

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

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.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana. The School Corporation's contributions to the plan during the period were \$565,019.

Ohio Plans

Members of the Ohio State Teachers' Retirement System contribute 9.3% of gross earnings and members of the Ohio School Employees' Retirement System contribute 9.9% of gross earnings. The College Corner Local School Corporation of Ohio contributes 14% of gross earnings to the certified employees' and noncertified employees' plans. The Ohio State Teachers' Retirement System may be contacted at the following address:

State Teachers' Retirement System of Ohio
275 East Broad Street
Columbus, Ohio 43215

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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	Special Education	Joint Services and Supply	Education Plates
Receipts:							
Local sources	\$ 651,771	\$ 10,538	\$ 486,636	\$ 62,203	\$ 1,075,929	\$ 53,570	\$ -
Intermediate sources	-	-	-	-	-	-	1,125
State sources	-	61,696	7,567	32,996	-	-	-
Federal sources	-	-	294,269	-	-	-	-
Other	15,359	-	2,031	513	-	9,707	-
Total receipts	667,130	72,234	790,503	95,712	1,075,929	63,277	1,125
Disbursements:							
Current:							
Instruction	-	48,632	-	-	1,045,226	-	-
Support services	727,382	794	11	28,136	-	80,272	-
Noninstructional services	-	-	779,398	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	153,593	-
Total disbursements	727,382	49,426	779,409	28,136	1,045,226	233,865	-
Excess (deficiency) of receipts over disbursements	(60,252)	22,808	11,094	67,576	30,703	(170,588)	1,125
Other financing sources (uses):							
Transfers in	-	-	-	13,480	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	13,480	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(60,252)	22,808	11,094	81,056	30,703	(170,588)	1,125
Cash and investments - beginning	(41,442)	1,099	44,096	(46,387)	119,685	257,107	9,038
Cash and investments - ending	\$ (101,694)	\$ 23,907	\$ 55,190	\$ 34,669	\$ 150,388	\$ 86,519	\$ 10,163
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (101,694)	\$ 23,907	\$ 55,190	\$ 34,669	\$ 150,388	\$ 86,519	\$ 10,163
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (101,694)	\$ 23,907	\$ 55,190	\$ 34,669	\$ 150,388	\$ 86,519	\$ 10,163
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(101,694)	23,907	55,190	34,669	150,388	86,519	10,163
Total cash and investment fund balance - ending	\$ (101,694)	\$ 23,907	\$ 55,190	\$ 34,669	\$ 150,388	\$ 86,519	\$ 10,163

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	Early Intervention	Ohio Professional Development	Gifted and Talented	Medicaid Reimbursement	Non English Speaking Grant	School Technology
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	6,721	4,215	32,404	-	750	3,221
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	7,573
Total receipts	<u>6,721</u>	<u>4,215</u>	<u>32,404</u>	<u>-</u>	<u>750</u>	<u>10,794</u>
Disbursements:						
Current:						
Instruction	6,721	4,215	33,906	-	-	-
Support services	-	-	-	-	-	3,966
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>6,721</u>	<u>4,215</u>	<u>33,906</u>	<u>-</u>	<u>-</u>	<u>3,966</u>
Excess (deficiency) of receipts over disbursements	-	-	(1,502)	-	750	6,828
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,502)	-	750	6,828
Cash and investments - beginning	-	-	4,953	7,321	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,451</u>	<u>\$ 7,321</u>	<u>\$ 750</u>	<u>\$ 6,828</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 3,451	\$ 7,321	\$ 750	\$ 6,828
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,451</u>	<u>\$ 7,321</u>	<u>\$ 750</u>	<u>\$ 6,828</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	3,451	7,321	750	6,828
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,451</u>	<u>\$ 7,321</u>	<u>\$ 750</u>	<u>\$ 6,828</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Technology Planning Grant	Ohio Title I	Mentorship Program	Wellness Program	Project Lead The Way	Title I FY 2008-2009
Receipts:						
Local sources	\$ -	\$ 14,407	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	20,000	-
Federal sources	-	-	-	-	-	208,232
Other	-	-	-	21,400	-	-
Total receipts	-	14,407	-	21,400	20,000	208,232
Disbursements:						
Current:						
Instruction	-	14,407	540	-	2,554	185,470
Support services	-	-	-	8,275	-	-
Noninstructional services	-	-	-	-	-	313
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	14,407	540	8,275	2,554	185,783
Excess (deficiency) of receipts over disbursements	-	-	(540)	13,125	17,446	22,449
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	-	-	(540)	13,125	17,446	22,449
Cash and investments - beginning	5,077	-	972	-	(17,446)	(17,700)
Cash and investments - ending	<u>\$ 5,077</u>	<u>\$ -</u>	<u>\$ 432</u>	<u>\$ 13,125</u>	<u>\$ -</u>	<u>\$ 4,749</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 5,077	\$ -	\$ 432	\$ 13,125	\$ -	\$ 4,749
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,077</u>	<u>\$ -</u>	<u>\$ 432</u>	<u>\$ 13,125</u>	<u>\$ -</u>	<u>\$ 4,749</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,077	-	432	13,125	-	4,749
Total cash and investment fund balance - ending	<u>\$ 5,077</u>	<u>\$ -</u>	<u>\$ 432</u>	<u>\$ 13,125</u>	<u>\$ -</u>	<u>\$ 4,749</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title V	IDEA Part B FY 07-08	IDEA Preschool FY 07-08	IDEA Part B Carryover	IDEA Part B FY 08-09	IDEA Preschool FY 08-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	991	242,000	15,110	-	1,037,000	38,500
Other	-	-	-	-	-	-
Total receipts	991	242,000	15,110	-	1,037,000	38,500
Disbursements:						
Current:						
Instruction	-	168,026	-	30,038	629,483	-
Support services	1,018	87,106	8,408	52,689	395,797	42,712
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,018	255,132	8,408	82,727	1,025,280	42,712
Excess (deficiency) of receipts over disbursements	(27)	(13,132)	6,702	(82,727)	11,720	(4,212)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(38,909)	-	-	-	-
Total other financing sources (uses)	-	(38,909)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27)	(52,041)	6,702	(82,727)	11,720	(4,212)
Cash and investments - beginning	1,281	52,041	(6,702)	83,125	-	-
Cash and investments - ending	\$ 1,254	\$ -	\$ -	\$ 398	\$ 11,720	\$ (4,212)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,254	\$ -	\$ -	\$ 398	\$ 11,720	\$ (4,212)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,254	\$ -	\$ -	\$ 398	\$ 11,720	\$ (4,212)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,254	-	-	398	11,720	(4,212)
Total cash and investment fund balance - ending	\$ 1,254	\$ -	\$ -	\$ 398	\$ 11,720	\$ (4,212)

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	IDEA Part B Carryover	Drug Free FY 04-05	Drug Free FY 06-07	Drug Free FY 07-08	Federal Medicaid	School To Work
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	159,863	4,171	-	-	364	-
Other	-	-	-	-	-	-
Total receipts	159,863	4,171	-	-	364	-
Disbursements:						
Current:						
Instruction	-	12	1,042	2,208	-	-
Support services	129,226	-	-	1,000	-	33
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	450	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	129,226	462	1,042	3,208	-	33
Excess (deficiency) of receipts over disbursements	30,637	3,709	(1,042)	(3,208)	364	(33)
Other financing sources (uses):						
Transfers in	38,909	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	38,909	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	69,546	3,709	(1,042)	(3,208)	364	(33)
Cash and investments - beginning	-	12	1,042	3,208	49,561	33
Cash and investments - ending	\$ 69,546	\$ 3,721	\$ -	\$ -	\$ 49,925	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 69,546	\$ 3,721	\$ -	\$ -	\$ 49,925	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 69,546	\$ 3,721	\$ -	\$ -	\$ 49,925	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	69,546	3,721	-	-	49,925	-
Total cash and investment fund balance - ending	\$ 69,546	\$ 3,721	\$ -	\$ -	\$ 49,925	\$ -

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	Improving Teacher Quality	Title II Technology	Language Instruction	Retirement Bond	Bus Replacement	Totals
Receipts:						
Local sources	\$ 145	\$ -	\$ -	\$ 651	\$ 217,038	\$ 2,572,888
Intermediate sources	-	-	-	-	-	1,125
State sources	-	-	-	-	-	169,570
Federal sources	64,356	65,655	-	-	-	2,130,511
Other	-	-	710	-	-	57,293
Total receipts	64,501	65,655	710	651	217,038	4,931,387
Disbursements:						
Current:						
Instruction	99,308	3,102	-	-	-	2,274,890
Support services	2,105	5,851	-	-	55,538	1,630,319
Noninstructional services	-	-	-	-	-	779,711
Facilities acquisition and construction	-	-	-	-	-	450
Debt services	-	-	-	67,280	167,339	234,619
Nonprogrammed charges	-	-	-	-	-	153,593
Total disbursements	101,413	8,953	-	67,280	222,877	5,073,582
Excess (deficiency) of receipts over disbursements	(36,912)	56,702	710	(66,629)	(5,839)	(142,195)
Other financing sources (uses):						
Transfers in	-	-	-	7,208	-	59,597
Transfers out	-	-	-	-	-	(38,909)
Total other financing sources (uses)	-	-	-	7,208	-	20,688
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,912)	56,702	710	(59,421)	(5,839)	(121,507)
Cash and investments - beginning	47,275	-	-	(7,208)	34,506	584,547
Cash and investments - ending	\$ 10,363	\$ 56,702	\$ 710	\$ (66,629)	\$ 28,667	\$ 463,040
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 10,363	\$ 56,702	\$ 710	\$ -	\$ 28,667	\$ 529,669
Restricted assets:						
Cash and investments	-	-	-	(66,629)	-	(66,629)
Total cash and investment assets - ending	\$ 10,363	\$ 56,702	\$ 710	\$ (66,629)	\$ 28,667	\$ 463,040
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ (66,629)	\$ -	\$ (66,629)
Unrestricted	10,363	56,702	710	-	28,667	529,669
Total cash and investment fund balance - ending	\$ 10,363	\$ 56,702	\$ 710	\$ (66,629)	\$ 28,667	\$ 463,040

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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	Special Education
Receipts:						
Local sources	\$ 1,117,402	\$ -	\$ 463,880	\$ 63,988	\$ -	\$ 282,821
Intermediate sources	-	-	-	-	-	-
State sources	-	28,875	7,115	32,111	-	-
Federal sources	-	-	373,524	-	-	-
Other	15,231	-	35	-	1,764	-
Total receipts	<u>1,132,633</u>	<u>28,875</u>	<u>844,554</u>	<u>96,099</u>	<u>1,764</u>	<u>282,821</u>
Disbursements:						
Current:						
Instruction	-	52,781	-	-	-	393,511
Support services	740,318	-	33	97,923	-	16,446
Noninstructional services	-	-	788,233	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>740,318</u>	<u>52,781</u>	<u>788,266</u>	<u>97,923</u>	<u>-</u>	<u>409,957</u>
Excess (deficiency) of receipts over disbursements	<u>392,315</u>	<u>(23,906)</u>	<u>56,288</u>	<u>(1,824)</u>	<u>1,764</u>	<u>(127,136)</u>
Other financing sources (uses):						
Transfers in	-	-	-	827	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>827</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>392,315</u>	<u>(23,906)</u>	<u>56,288</u>	<u>(997)</u>	<u>1,764</u>	<u>(127,136)</u>
Cash and investments - beginning	<u>(101,694)</u>	<u>23,906</u>	<u>55,190</u>	<u>34,669</u>	<u>-</u>	<u>150,387</u>
Cash and investments - ending	<u>\$ 290,621</u>	<u>\$ -</u>	<u>\$ 111,478</u>	<u>\$ 33,672</u>	<u>\$ 1,764</u>	<u>\$ 23,251</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 290,621	\$ -	\$ 111,478	\$ 33,672	\$ 1,764	\$ 23,251
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 290,621</u>	<u>\$ -</u>	<u>\$ 111,478</u>	<u>\$ 33,672</u>	<u>\$ 1,764</u>	<u>\$ 23,251</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	290,621	-	111,478	33,672	1,764	23,251
Total cash and investment fund balance - ending	<u>\$ 290,621</u>	<u>\$ -</u>	<u>\$ 111,478</u>	<u>\$ 33,672</u>	<u>\$ 1,764</u>	<u>\$ 23,251</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	Joint Services and Supply	Education Plates	Early Intervention	Fitness Center	Gifted and Talented	Medicaid Reimbursement
Receipts:						
Local sources	\$ 187,009	\$ -	\$ -	\$ 710	\$ -	\$ -
Intermediate sources	-	563	-	-	-	-
State sources	-	-	16,750	-	32,019	-
Federal sources	-	-	-	-	-	-
Other	2,701	-	-	-	-	-
Total receipts	189,710	563	16,750	710	32,019	-
Disbursements:						
Current:						
Instruction	-	-	16,750	-	35,470	-
Support services	69,946	-	-	655	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	90,421	-	-	-	-	-
Total disbursements	160,367	-	16,750	655	35,470	-
Excess (deficiency) of receipts over disbursements	29,343	563	-	55	(3,451)	-
Other financing sources (uses):						
Transfers in	399	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	399	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,742	563	-	55	(3,451)	-
Cash and investments - beginning	86,520	10,163	-	-	3,451	7,321
Cash and investments - ending	\$ 116,262	\$ 10,726	\$ -	\$ 55	\$ -	\$ 7,321
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 116,262	\$ 10,726	\$ -	\$ 55	\$ -	\$ 7,321
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 116,262	\$ 10,726	\$ -	\$ 55	\$ -	\$ 7,321
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	116,262	10,726	-	55	-	7,321
Total cash and investment fund balance - ending	\$ 116,262	\$ 10,726	\$ -	\$ 55	\$ -	\$ 7,321

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	Non English Speaking	School Technology	Technology Planning Grant	Youth Risk Behavior Survey	Ohio Title I	Mentorship Program
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	14,581	-	500	-	-
Federal sources	-	-	-	-	25,657	-
Other	-	509	-	-	-	-
Total receipts	-	15,090	-	500	25,657	-
Disbursements:						
Current:						
Instruction	733	-	-	500	23,157	-
Support services	16	21,788	2,842	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	749	21,788	2,842	500	23,157	-
Excess (deficiency) of receipts over disbursements	(749)	(6,698)	(2,842)	-	2,500	-
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	(749)	(6,698)	(2,842)	-	2,500	-
Cash and investments - beginning	750	6,828	5,077	-	-	432
Cash and investments - ending	\$ 1	\$ 130	\$ 2,235	\$ -	\$ 2,500	\$ 432
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1	\$ 130	\$ 2,235	\$ -	\$ 2,500	\$ 432
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1	\$ 130	\$ 2,235	\$ -	\$ 2,500	\$ 432
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1	130	2,235	-	2,500	432
Total cash and investment fund balance - ending	\$ 1	\$ 130	\$ 2,235	\$ -	\$ 2,500	\$ 432

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	Wellness Program	Project Lead The Way	Project Lead The Way	Title I FY 2008-2009	Title I FY 2009-2010	Title V
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	14,896	15,000	-	-	-
Federal sources	-	-	-	18,600	196,223	-
Other	22,200	-	-	-	-	-
Total receipts	22,200	14,896	15,000	18,600	196,223	-
Disbursements:						
Current:						
Instruction	-	11,046	15,000	23,349	190,894	-
Support services	26,390	3,850	-	-	5,063	1,254
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	26,390	14,896	15,000	23,349	195,957	1,254
Excess (deficiency) of receipts over disbursements	(4,190)	-	-	(4,749)	266	(1,254)
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	(4,190)	-	-	(4,749)	266	(1,254)
Cash and investments - beginning	13,125	-	-	4,749	-	1,254
Cash and investments - ending	<u>\$ 8,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 8,935	\$ -	\$ -	\$ -	\$ 266	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,935	-	-	-	266	-
Total cash and investment fund balance - ending	<u>\$ 8,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266</u>	<u>\$ -</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	IDEA Part B FY 2009-2010	IDEA Preschool FY2009-2010	IDEA Part B Carryover	IDEA Part B Carryover	IDEA Part B FY 08-09	IDEA Preschool FY 08-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	963,000	47,336	199,813	-	300,000	12,622
Other	-	-	-	-	-	-
Total receipts	963,000	47,336	199,813	-	300,000	12,622
Disbursements:						
Current:						
Instruction	566,406	-	-	-	184,405	-
Support services	390,392	45,660	165,497	-	116,523	8,410
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	956,798	45,660	165,497	-	300,928	8,410
Excess (deficiency) of receipts over disbursements	6,202	1,676	34,316	-	(928)	4,212
Other financing sources (uses):						
Transfers in	-	-	10,791	-	-	-
Transfers out	-	-	-	(399)	(10,791)	-
Total other financing sources (uses)	-	-	10,791	(399)	(10,791)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,202	1,676	45,107	(399)	(11,719)	4,212
Cash and investments - beginning	-	-	-	399	11,720	(4,212)
Cash and investments - ending	\$ 6,202	\$ 1,676	\$ 45,107	\$ -	\$ 1	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,202	\$ 1,676	\$ 45,107	\$ -	\$ 1	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,202	\$ 1,676	\$ 45,107	\$ -	\$ 1	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,202	1,676	45,107	-	1	-
Total cash and investment fund balance - ending	\$ 6,202	\$ 1,676	\$ 45,107	\$ -	\$ 1	\$ -

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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)

	IDEA Part B Carryover	Drug Free FY 04-05	Federal Medicaid	Improving Teacher Quality	Title II Technology	Language Instruction
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	952
Federal sources	-	5,279	24,125	38,014	-	-
Other	-	-	-	-	-	-
Total receipts	-	5,279	24,125	38,014	-	952
Disbursements:						
Current:						
Instruction	-	7,799	-	12,816	4,453	-
Support services	70,748	285	522	-	44,392	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	70,748	8,084	522	12,816	48,845	-
Excess (deficiency) of receipts over disbursements	(70,748)	(2,805)	23,603	25,198	(48,845)	952
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	(70,748)	(2,805)	23,603	25,198	(48,845)	952
Cash and investments - beginning	69,546	3,721	49,925	10,363	56,701	710
Cash and investments - ending	\$ (1,202)	\$ 916	\$ 73,528	\$ 35,561	\$ 7,856	\$ 1,662
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (1,202)	\$ 916	\$ 73,528	\$ 35,561	\$ 7,856	\$ 1,662
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (1,202)	\$ 916	\$ 73,528	\$ 35,561	\$ 7,856	\$ 1,662
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(1,202)	916	73,528	35,561	7,856	1,662
Total cash and investment fund balance - ending	\$ (1,202)	\$ 916	\$ 73,528	\$ 35,561	\$ 7,856	\$ 1,662

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title I ARRA	Special Education Part B ARRA	Special Education Preschool ARRA	Retirement Bond	Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 297,194	\$ 184,970	\$ 2,597,974
Intermediate sources	-	-	-	-	-	563
State sources	-	-	-	-	-	162,799
Federal sources	134,792	1,079,000	23,327	-	-	3,441,312
Other	-	-	-	-	-	42,440
Total receipts	134,792	1,079,000	23,327	297,194	184,970	6,245,088
Disbursements:						
Current:						
Instruction	104,863	935,790	23,180	-	-	2,602,903
Support services	-	113,736	-	-	77,202	2,019,891
Noninstructional services	-	-	-	-	-	788,233
Debt services	-	-	-	132,632	-	132,632
Nonprogrammed charges	-	-	-	-	-	90,421
Total disbursements	104,863	1,049,526	23,180	132,632	77,202	5,634,080
Excess (deficiency) of receipts over disbursements	<u>29,929</u>	<u>29,474</u>	<u>147</u>	<u>164,562</u>	<u>107,768</u>	<u>611,008</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	12,017
Transfers out	-	-	-	-	-	(11,190)
Total other financing sources (uses)	-	-	-	-	-	827
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,929	29,474	147	164,562	107,768	611,835
Cash and investments - beginning	-	-	-	(66,628)	28,667	463,040
Cash and investments - ending	<u>\$ 29,929</u>	<u>\$ 29,474</u>	<u>\$ 147</u>	<u>\$ 97,934</u>	<u>\$ 136,435</u>	<u>\$ 1,074,875</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 29,929	\$ 29,474	\$ 147	\$ -	\$ 136,435	\$ 976,941
Restricted assets:						
Cash and investments	-	-	-	97,934	-	97,934
Total cash and investment assets - ending	\$ 29,929	\$ 29,474	\$ 147	\$ 97,934	\$ 136,435	\$ 1,074,875
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 97,934	\$ -	\$ 97,934
Unrestricted	29,929	29,474	147	-	136,435	976,941
Total cash and investment fund balance - ending	\$ 29,929	\$ 29,474	\$ 147	\$ 97,934	\$ 136,435	\$ 1,074,875

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 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</u>	<u>Grants and and Donations Foundation</u>	<u>Union County Foundation Grants - CC</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ -	\$ 290	\$ -	\$ 290
Cash and investment fund balance - beginning	<u>1,864</u>	<u>-</u>	<u>501</u>	<u>2,365</u>
Cash and investments - June 30	<u>\$ 1,864</u>	<u>\$ 290</u>	<u>\$ 501</u>	<u>\$ 2,655</u>
Net assets:				
Cash and investments	<u>\$ 1,864</u>	<u>\$ 290</u>	<u>\$ 501</u>	<u>\$ 2,655</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,864</u>	<u>\$ 290</u>	<u>\$ 501</u>	<u>\$ 2,655</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	<u>Donations</u>	<u>Fitness Grant</u>	<u>Grants and and Donations Foundation</u>	<u>Union County Foundation Grants</u>	<u>Union County Foundation Grants - CC</u>	<u>Totals</u>
Additions:						
Contributions:						
Other	\$ -	\$ 1,200	\$ -	\$ 800	\$ -	\$ 2,000
Deductions:						
Administrative and general	-	-	261	755	-	1,016
Excess (deficiency) of total additions over total deductions	-	1,200	(261)	45	-	984
Cash and investment fund balance - beginning	<u>1,864</u>	<u>-</u>	<u>290</u>	<u>-</u>	<u>501</u>	<u>2,655</u>
Cash and investments - June 30	<u>\$ 1,864</u>	<u>\$ 1,200</u>	<u>\$ 29</u>	<u>\$ 45</u>	<u>\$ 501</u>	<u>\$ 3,639</u>
Net assets:						
Cash and investments	<u>\$ 1,864</u>	<u>\$ 1,200</u>	<u>\$ 29</u>	<u>\$ 45</u>	<u>\$ 501</u>	<u>\$ 3,639</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,864</u>	<u>\$ 1,200</u>	<u>\$ 29</u>	<u>\$ 45</u>	<u>\$ 501</u>	<u>\$ 3,639</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Federal Tax</u>	<u>Social Security Teaching</u>	<u>Social Security Non-Teaching</u>	<u>Indiana State Tax</u>	<u>Ohio State Tax</u>	<u>County Tax</u>
Additions:						
Agency fund additions	\$ 933,930	\$ 480,784	\$ 172,234	\$ 272,512	\$ 25,181	\$ 120,632
Deductions:						
Agency fund deductions	<u>933,745</u>	<u>480,784</u>	<u>172,234</u>	<u>270,259</u>	<u>24,999</u>	<u>119,775</u>
Excess (deficiency) of total additions over total deductions	185	-	-	2,253	182	857
Cash and investment fund balance - beginning	<u>(185)</u>	<u>-</u>	<u>-</u>	<u>25,855</u>	<u>2,711</u>	<u>11,609</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,108</u>	<u>\$ 2,893</u>	<u>\$ 12,466</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	PERF	Anthem	Administrative Systems	Teacher's Dues	Wayne Credit Union	American Fidelity Assurance
Additions:						
Agency fund additions	\$ 10,716	\$ 221,143	\$ -	\$ 67,333	\$ 166,832	\$ 6,145
Deductions:						
Agency fund deductions	11,957	227,391	-	59,443	166,832	5,094
Excess (deficiency) of total additions over total deductions	(1,241)	(6,248)	-	7,890	-	1,051
Cash and investment fund balance - beginning	3,564	13,175	9	-	-	-
Cash and investment fund balance - ending	<u>\$ 2,323</u>	<u>\$ 6,927</u>	<u>\$ 9</u>	<u>\$ 7,890</u>	<u>\$ -</u>	<u>\$ 1,051</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Garnishments</u>	<u>AFLAC</u>	<u>Hartford</u>	<u>Horace Mann Annuity</u>	<u>Kemper Life</u>	<u>Northwestern Mutual</u>
Additions:						
Agency fund additions	\$ 3,855	\$ 3,713	\$ 3,440	\$ 1,200	\$ -	\$ 620
Deductions:						
Agency fund deductions	3,855	3,256	3,440	1,100	-	620
Excess (deficiency) of total additions over total deductions	-	457	-	100	-	-
Cash and investment fund balance - beginning	-	-	-	-	114	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 114</u>	<u>\$ -</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	National Insurance	National Supplemental	USAA Life Insurance	American Family Life Insurance	United Way	Medicare
Additions:						
Agency fund additions	\$ 28,445	\$ 72	\$ 12,870	\$ 319	\$ 523	\$ 3,110
Deductions:						
Agency fund deductions	24,825	-	9,330	399	1,070	3,110
Excess (deficiency) of total additions over total deductions	3,620	72	3,540	(80)	(547)	-
Cash and investment fund balance - beginning	-	-	-	160	611	-
Cash and investment fund balance - ending	<u>\$ 3,620</u>	<u>\$ 72</u>	<u>\$ 3,540</u>	<u>\$ 80</u>	<u>\$ 64</u>	<u>\$ -</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Equitable Life Assurance</u>	<u>AIG Valic</u>	<u>American Fidelity Annuity</u>	<u>American Fidelity Cancer</u>	<u>ISTA Financial Services</u>
Additions:					
Agency fund additions	\$ 12,870	\$ 71,516	\$ 9,670	\$ 30,007	\$ 8,450
Deductions:					
Agency fund deductions	<u>9,480</u>	<u>63,828</u>	<u>8,647</u>	<u>26,335</u>	<u>7,379</u>
Excess (deficiency) of total additions over total deductions	3,390	7,688	1,023	3,672	1,071
Cash and investment fund balance - beginning	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 3,390</u>	<u>\$ 7,688</u>	<u>\$ 1,023</u>	<u>\$ 3,672</u>	<u>\$ 1,071</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Horace Mann/Vision	Anthem Dental	Texas Life	Fringe Benefit Life	Totals
Additions:					
Agency fund additions	\$ 4,504	\$ 26,796	\$ 1,097	\$ 1,253	\$ 2,701,772
Deductions:					
Agency fund deductions	4,122	26,417	1,013	1,248	2,671,987
Excess (deficiency) of total additions over total deductions	382	379	84	5	29,785
Cash and investment fund balance - beginning	1,042	2,490	-	-	61,155
Cash and investment fund balance - ending	\$ 1,424	\$ 2,869	\$ 84	\$ 5	\$ 90,940

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	<u>Federal Tax</u>	<u>Social Security Teaching</u>	<u>Social Security Non-Teaching</u>	<u>Indiana State Tax</u>	<u>Ohio State Tax</u>	<u>Kentucky State Tax</u>
Additions:						
Agency fund additions	\$ 864,035	\$ 493,948	\$ 170,714	\$ 268,606	\$ 30,046	\$ 165
Deductions:						
Agency fund deductions	<u>864,035</u>	<u>493,948</u>	<u>170,714</u>	<u>268,435</u>	<u>32,939</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	-	-	-	171	(2,893)	165
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,108</u>	<u>2,893</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,279</u>	<u>\$ -</u>	<u>\$ 165</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>County Tax</u>	<u>PERF</u>	<u>Anthem</u>	<u>Administrative Systems</u>	<u>Teacher's Dues</u>	<u>Wayne Credit Union</u>
Additions:						
Agency fund additions	\$ 119,840	\$ 10,379	\$ 271,558	\$ -	\$ 73,558	\$ 130,933
Deductions:						
Agency fund deductions	119,721	10,216	262,111	-	81,448	130,933
Excess (deficiency) of total additions over total deductions	119	163	9,447	-	(7,890)	-
Cash and investment fund balance - beginning	12,466	2,323	6,927	9	7,890	-
Cash and investment fund balance - ending	<u>\$ 12,585</u>	<u>\$ 2,486</u>	<u>\$ 16,374</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	American Fidelity Assurance	Garnishments	AFLAC	Horace Mann Annuity	Kemper Life	National Insurance
Additions:						
Agency fund additions	\$ 7,605	\$ 8,190	\$ 3,410	\$ 1,200	\$ -	\$ 34,612
Deductions:						
Agency fund deductions	8,656	8,190	3,867	1,300	-	33,131
Excess (deficiency) of total additions over total deductions	(1,051)	-	(457)	(100)	-	1,481
Cash and investment fund balance - beginning	1,051	-	457	100	114	3,620
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114</u>	<u>\$ 5,101</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>National Supplemental</u>	<u>USAA Life Insurance</u>	<u>American Family Life Assurance</u>	<u>United Way</u>	<u>Medicare</u>
Additions:					
Agency fund additions	<u>\$ 3,214</u>	<u>\$ 14,160</u>	<u>\$ 319</u>	<u>\$ 416</u>	<u>\$ 3,040</u>
Deductions:					
Agency fund deductions	<u>2,981</u>	<u>17,700</u>	<u>399</u>	<u>412</u>	<u>3,040</u>
Excess (deficiency) of total additions over total deductions	233	(3,540)	(80)	4	-
Cash and investment fund balance - beginning	<u>72</u>	<u>3,540</u>	<u>80</u>	<u>64</u>	<u>-</u>
Cash and investment fund balance - ending	<u><u>\$ 305</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 68</u></u>	<u><u>\$ -</u></u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>Equitable Life Assurance</u>	<u>AIG Valic</u>	<u>American Fidelity Annuity</u>	<u>American Fidelity Cancer</u>	<u>ISTA Financial Services</u>
Additions:					
Agency fund additions	\$ 11,310	\$ 66,123	\$ 9,383	\$ 32,851	\$ 6,247
Deductions:					
Agency fund deductions	<u>14,700</u>	<u>73,811</u>	<u>10,406</u>	<u>36,523</u>	<u>7,318</u>
Excess (deficiency) of total additions over total deductions	(3,390)	(7,688)	(1,023)	(3,672)	(1,071)
Cash and investment fund balance - beginning	<u>3,390</u>	<u>7,688</u>	<u>1,023</u>	<u>3,672</u>	<u>1,071</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Horace Mann/Vision	Anthem Dental	Texas Life	Fringe Benefit Life	Totals
Additions:					
Agency fund additions	\$ 4,792	\$ 28,693	\$ 1,838	\$ 1,303	\$ 2,672,488
Deductions:					
Agency fund deductions	4,828	28,963	1,922	1,303	2,693,950
Excess (deficiency) of total additions over total deductions	(36)	(270)	(84)	-	(21,462)
Cash and investment fund balance - beginning	1,424	2,869	84	5	90,940
Cash and investment fund balance - ending	<u>\$ 1,388</u>	<u>\$ 2,599</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 69,478</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 169,085
Buildings	23,803,961
Improvements other than buildings	1,313,750
Machinery and equipment	<u>5,228,124</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 30,514,920</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

Description of Asset	Ending Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Liberty Elementary/Union County High School	\$ 4,095,000	\$ 465,900
Middle School	5,325,883	959,000
Liberty/College Corner Elementaries, and Union County High School	5,130,000	547,125
Honeywell Energy Update	42,213	46,880
Bonds payable:		
General obligation bonds:		
Pension Bond	<u>1,305,000</u>	<u>129,978</u>
Total governmental activities long-term debt	<u>\$ 15,898,096</u>	<u>\$ 2,148,883</u>

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Fund, Debt Service Fund, Retirement Bond Fund and Capital Projects Fund were overdrawn on June 30, 2009.

The cash balance of any fund may not be reduced below zero. The cash and investment deficits arose due to the June 30, 2009 settlement of local property taxes not being made on time. The June 30, 2009 settlement was not received by the school corporation until August 21, 2009. The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CONDITION OF RECORDS (Applies to College Corner Elementary ECA)

The following deficiencies relating to the recordkeeping were noted:

- (1) Treasurer performed bank reconcilements; however, they were incorrect.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (2) Grant monies and educational fees were receipted and disbursed from extra-curricular funds instead of being transferred to the appropriate school corporation fund.

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safe-guarding and accounting for the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

- (3) Extra-curricular equipment purchases were made without approval of the Board of School Trustees.

IC 20-26-5-4 states in part: "In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the . . . specific powers . . . to acquire personal property or an interest in personal property as the governing body considers necessary for school purposes . . ." Therefore, extra-curricular equipment purchases should be approved prior to purchase by the Board of School Trustees. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

- (4) Curriculum purchases were made from the extra-curricular funds.

Accounts for educational functions must be maintained in the school corporation records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

- (5) Disbursements were made without proper supporting documentation.

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)

GUARANTEED ENERGY SAVINGS CONTRACTS

The Union County/College Corner Joint School District entered into two separate guaranteed energy savings contracts with Honeywell, Inc. The first contract was entered into on December 11, 1995, and was for five years. The total amount of the contract was \$134,200. The total amount of guaranteed energy savings was \$67,100. The total amount of guaranteed operational savings was \$67,100. The second contract was entered into on August 30, 1999, and was for a ten year period. The total amount of the contract was \$336,529. The total amount of guaranteed energy savings was \$224,590. The total amount of guaranteed operational savings was \$244,250. An agreement to combine the two contracts was signed August 30, 1999, effective October 1, 2000. There was an overlap in the contracts and there was no way to distinguish the Energy Conservation Measures (ECM's) of each contract since all ECM's show up on all meters. The contracts provide operational cost savings projections and included capital expenditures as "agreed upon Operational Cost Savings." The "agreed upon" savings were "deemed realized upon execution" of the contract. No information was presented for audit to document the operational savings for either contract.

The contracts state in part "Operational Savings are mutually agreed by the Customer and Honeywell and are deemed satisfied upon contract execution."

The projects includes per the contract, Lighting Retrofit, Boiler Replacement, Water Conservation Measures, Steam Taps and Windows.

STATUTORY AND OTHER COMPLIANCE GUIDELINE PROVISIONS

IC 36-1-12-1(e), of the public works law states in part: "As an alternative to this chapter, the governing body . . . may . . . enter into a guaranteed energy savings contract as permitted under IC 36-1-12.5."

IC 36-1-12.5-1(a) state in part:

"As used in this chapter, 'conservation measure': (1) means: (A) a facility alteration; (B) an alteration of a structure (as defined in IC 36-1-10-2); (C) a technology upgrade; or (D) with respect to an installation described in subdivision(2)(G) or (2)(H), an alteration of a structure or system; designed . . . reduce energy . . . or other operating costs . . ."

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

IC 36-1-12.5-5 states in part:

"(a) The governing body may enter into . . . a guaranteed savings contract with a qualified provider to . . . reduce the school corporation's . . . energy . . . or operating costs if, after review of the report described in section 6 of this chapter, the governing body finds: (1) in the case of conservation measures . . . that the amount the governing body would spend on the conservation measures under the contract and that are recommended in the report is not likely to exceed the amount to be saved in energy consumption costs and other operating costs over twenty (20) years from the date of installation if the recommendations in the report were followed; . . . (3) in the case of a guaranteed savings contract, the qualified provider provides a written guarantee as described in subsection(d)(3).

Please note IC 36-1-12.5-5 states in part:

"(d) An agreement to participate in a . . . guaranteed savings contract under this section must provide that: . . . (3) in the case of the guaranteed savings contract: (A) the: (i) savings in energy and . . . other operating costs; . . . due to the conservation measures are guaranteed to cover the costs of the payments for the measures; and (B) the qualified provider will reimburse the school corporation . . . for the difference between the guaranteed savings and the actual savings . . ."

IC 36-1-12.5-0.5 states: "As used in this chapter, 'actual savings' includes stipulated savings."

IC 36-1-12.5-3.7 states in part: "As used in this chapter, 'stipulated savings' are assumed savings that are documented by industry engineering standards."

IC 36-1-12.5-11 states in part:

"(a) a guaranteed energy savings contract that includes stipulated savings must specify the methodology used to calculate the savings using industry engineering standards. (b) Stipulated savings may be used for energy conservation measures including . . . (11) Any work that is causally connected to the conservation measures listed in subdivisions (1) through (10). (c) The guaranteed savings contract shall: (1) describe stipulated savings for: (A) conservation measures; and (B) work causally connected to the conservation measures; and (2) document assumptions by industry engineering standards."

REPAYMENT OF COSTS IN EXCESS OF SAVINGS

The Union County/College Corner Joint School District Officials conveyed that the items shown as "agreed upon" or "stipulated savings" have been predetermined. Furthermore, the Union County/College Corner Joint School District Officials do not have available for audit and conveyed they do not plan in the future to have any additional information to document actual operating savings. Accordingly, with due regards for the remaining contract time for which information may be presented to document actual operating and energy savings (or "stipulated savings" documented by "industry engineering standards"), the Union County/College Corner Joint School District should request reimbursement from Honeywell, Inc. for costs which did not result in an actual reduction of energy consumption costs or other operating costs (or stipulated savings which were not supported by "industry engineering standards") at the end of the contract term in accordance with IC 36-1-12.5-5.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE UNION COUNTY/COLLEGE CORNER
JOINT SCHOOL DISTRICT, UNION COUNTY, INDIANA

Compliance

We have audited the compliance of the Union County/College Corner Joint School District (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 non-compliance 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a

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)

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.

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.

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

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

STATE BOARD OF ACCOUNTS

February 7, 2011

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
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's 08-10	\$ 92,798	\$ 79,016
National School Lunch Program	10.555	FY's 08-10	<u>201,610</u>	<u>294,526</u>
Total for federal grantor agency			<u>294,408</u>	<u>373,542</u>
<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	FY 08-09	185,783	23,349
		FY 09-10	-	195,957
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 09-10	<u>-</u>	<u>104,863</u>
Total for cluster			<u>185,783</u>	<u>324,169</u>
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B)				
	84.027	14208-013-PN01	255,132	-
		14207-013-PY02	82,727	-
		14209-013-PN01	1,025,280	300,928
		14208-013-PY02	129,226	70,748
		14210-013-PN01	-	956,798
		14209-013-PY02	-	165,497
Special Education - Preschool Grants (IDEA Preschool)	84.173	45709-013-PN01	42,712	8,410
		45710-013-PN01	-	45,660
ARRA - Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	FY 09-10	-	1,049,526
ARRA - Special Education - Preschool Grants (IDEA Preschool), Recovery Act	84.392	FY 09-10	<u>-</u>	<u>23,180</u>
Total for cluster			<u>1,535,077</u>	<u>2,620,747</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization (SFSF) - Education				
State Grants, Recovery Act	84.394	FY 09-10	<u>-</u>	<u>1,129,811</u>
Total for cluster			<u>-</u>	<u>1,129,811</u>
Safe and Drug-Free Schools and Communities	84.186	FY 06-07	1,042	8,084
		FY 07-08	3,208	-
		FY 08-09	<u>462</u>	<u>-</u>
Total for program			<u>4,712</u>	<u>8,084</u>
Innovative Education Program Strategies	84.298	FY 06-07	1,018	-
		FY 08-09	<u>-</u>	<u>1,254</u>
Total for program			<u>1,018</u>	<u>1,254</u>
Enhancing Education Through Technology	84.318	FY 08-09	<u>8,953</u>	<u>48,845</u>
Improving Teacher Quality	84.367	FY 08-09	101,413	-
		FY 09-10	<u>-</u>	<u>12,816</u>
Total for program			<u>101,413</u>	<u>12,816</u>
Total for federal grantor agency			<u>1,836,956</u>	<u>4,145,726</u>
Total federal awards expended			<u>\$ 2,131,364</u>	<u>\$ 4,519,268</u>

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

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
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 Union County/College Corner Joint School District (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2009	2010
National School Lunch	10.555	\$ 28,379	\$ 27,721
School Breakfast Program	10.553	8,071	7,435

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
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?	yes
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.394	Title I, Part A Cluster Special Education Cluster State Fiscal Stabilization Fund - Education State Grants, Recovery Act

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

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-1, CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Title I, Part A Cluster
CFDA Number: 84.010; 84.389
Pass-Through: Indiana Department of Education.

Amounts received by the School Corporation for the Title I Grant, Recovery Act, were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for each of the twelve months during the second year of the audit period. The cash balance of the grant at June 30, 2010, as reported on the fourth quarter report submitted to the Indiana Department of Education, was \$29,929, which was approximately 22% of the total grant awarded during the audit period. The estimated cash needs in the few months subsequent to the audit period did not substantiate the need for this amount of cash.

EDGAR 80.20 (b)(7) states:

"Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasurer and disbursements by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by the subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

UNION COUNTY-COLLEGE CORNER JOINT SCHOOL DISTRICT
107 Layman Street • Liberty, Indiana 47353 • P: 765-458-7471 • F: 765-458-5647

Dr. Zach Rozelle, Superintendent
Al Sustarsic, Administrative
Assistant
Sharon L. Moore, Director of
Information Technology



Jennifer Gronning, Treasurer
Grace Atkins, Payroll Clerk
Joe Elleman, Transportation

February 7, 2011

Corrective Action Plan:

FINDING NO 2010-1, CASH MANAGEMENT

Federal Program: Title I Grants to Local Educational Agencies, Recovery Act
CFDA Number: 84.389
Federal Award Number: 10-7950

Effective school year 2010-11, the school is no longer submitting cash draw downs for advances. We are receiving Title I Funds on a reimbursement basis.

Respectfully Submitted,

Handwritten signature of Jennifer Gronning in cursive.

Jennifer Gronning
Treasurer

Handwritten signature of Zach Rozelle in cursive.

Zach Rozelle
Superintendent

UNION COUNTY/COLLEGE CORNER JOINT SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2011, with Michael Murray, President of the School Board; Marsha Maze, former Treasurer; Jennifer Gronning, Treasurer; Zach Rozelle, Superintendent of Schools; Al Sustarsic, Assistant Superintendent of Schools; and Grace Adkins, Deputy Treasurer.

The contents of this report, as they relate to the College Corner Elementary ECA Accounts, were discussed on February 7, 2011, with Maureen McDonough, Principal, and Nora George, ECA Treasurer.