

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

UNION COUNTY COLLEGE CORNER
JOINT SCHOOL DISTRICT
UNION COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED

01/07/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	18-33
Schedule of Leases and Debt	34
Schedule of Capital Assets.....	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	38-40
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-52
Auditee Prepared Document:	
Corrective Action Plan	54-55
Other Reports.....	56

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Gronning	07-01-12 to 06-30-16
Superintendent of Schools	Dr. Zach Rozelle	07-01-12 to 06-30-16
President of the School Board	Michael Murray	07-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Union County College Corner Joint School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 24, 2015, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

September 24, 2015



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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT 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, 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, the financial statement of the Union County College Corner Joint School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated September 24, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT 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 statement is 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Union County College Corner Joint School District's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 24, 2015

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13		Other Financing Sources (Uses)		Cash and Investments 06-30-14	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ 2,274,674	\$ 9,740,093	\$ 10,378,531	\$ -	\$ 1,636,236	\$ 10,040,588	\$ 10,006,365	\$ -	\$ 1,670,459	
Debt Service	1,168,338	2,069,260	2,135,083	(15,883)	1,086,632	2,282,426	2,069,887	-	1,299,171	
Retirement/Severance Bond Debt Service	70,962	134,861	134,015	-	71,808	137,207	98,818	-	110,197	
Capital Projects	1,033,125	1,611,586	1,295,112	-	1,349,599	1,565,789	1,515,213	-	1,400,175	
School Transportation	376,003	813,895	781,826	(100,000)	308,072	845,403	853,560	-	299,915	
School Bus Replacement	122,522	107,087	144,873	-	84,736	157,323	153,536	-	88,523	
Rainy Day	681,212	-	27,565	100,000	753,647	-	7,941	-	745,706	
School Lunch	133,755	808,584	808,028	-	134,311	804,551	809,309	-	129,553	
Textbook Rental	(84,412)	103,839	19,954	15,883	15,356	113,467	163,863	-	(35,040)	
Levy Excess	1,764	-	-	-	1,764	-	-	-	1,764	
Special Education	68,350	1,332,530	1,367,165	-	33,715	456,270	489,985	-	-	
Joint Service and Supply - Special Education Cooperative	95,228	147,095	158,851	-	83,472	50,365	61,004	-	72,833	
Educational License Plates	11,588	375	-	-	11,963	112	-	-	12,075	
Alternative Education	-	2,437	-	-	2,437	7,560	9,791	-	206	
Miscellaneous Programs	1,484	-	-	-	1,484	2,000	372	-	3,112	
One Community One Family	358	-	358	-	-	-	-	-	-	
FFA-Food For All Grant	-	2,500	930	-	1,570	2,500	2,892	-	1,178	
UCHS Global Grant	(1,000)	1,000	-	-	-	-	-	-	-	
College Corner Library	3,049	-	2,507	-	542	-	-	-	542	
Archery Grant- Union County Foundation	-	750	589	-	161	-	161	-	-	
Archery Grant- REMC	-	750	741	-	9	-	9	-	-	
Lemonade for Learning	355	467	294	-	528	433	961	-	-	
Kinder Camp	152	-	60	-	92	-	-	-	92	
Robotics Grant	-	2,000	814	-	1,186	-	1,186	-	-	
FCCLA Safe Driving Grant	-	288	288	-	-	-	-	-	-	
LES Author Visit- Union County Foundation	-	750	750	-	-	600	600	-	-	
LES Reading Rally	-	250	250	-	-	-	-	-	-	
CC Foundation Grant	-	1,400	1,400	-	-	1,000	1,000	-	-	
LES Red Ribbon	-	-	-	-	-	1,000	1,000	-	-	
UCHS After Prom	-	-	-	-	-	500	500	-	-	
UCMS National Junior Honor Society	63	500	563	-	-	500	499	-	1	
UCMS College for a Day	-	331	263	-	68	330	-	-	398	
CC Book Buck Stop- REMC	-	500	500	-	-	-	-	-	-	
CC Book Buck Stop- Union County Foundation	-	1,500	1,500	-	-	-	-	-	-	
UCHS Bill of Rights	-	-	-	-	-	250	234	-	16	
UCMS Washington DC	-	-	-	-	-	1,212	-	-	1,212	

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

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
LES Author Visit- REMC	-	-	-	-	-	750	750	-	-
Teacher Quality Improvement Program	-	-	-	-	-	4,291	4,291	-	-
Excellence in Performance Award Grants	-	-	-	-	-	19,046	19,046	-	-
Tech Prep	-	-	-	-	-	515	515	-	-
Gifted and Talented- 2012/13	3,338	-	3,338	-	-	31,029	19,966	-	11,063
Gifted and Talented- 2013/14	-	31,295	18,673	-	12,622	-	12,622	-	-
Medicaid Reimbursement	7,321	-	-	-	7,321	-	3,862	-	3,459
School Technology	1,070	37,144	17,169	-	21,045	5,489	24,303	-	2,231
Technology Grants [IC 20-40-15]	557	-	557	-	-	-	-	-	-
Ohio Title I	7,970	-	7,970	-	-	20,771	20,771	-	-
Mentorship	132	-	-	-	132	-	132	-	-
Wellness- 2011/12	6,928	(150)	6,778	-	-	-	-	-	-
Wellness- 2012/13	-	20,600	20,303	-	297	-	297	-	-
Title I-7/1/13 to 6/30/14	-	-	-	-	-	199,745	226,243	-	(26,498)
Title I-7/1/11 to 6/30/12	(29,756)	29,756	-	-	-	-	-	-	-
Title I-7/1/12 to 6/30/13	-	236,496	278,944	-	(42,448)	43,525	1,077	-	-
Special Education - Part B- FY 2010	6,965	-	6,965	-	-	-	-	-	-
Special Education - Preschool- FY 2014	-	-	-	-	-	47,698	51,830	-	(4,132)
Special Education - Part B- FY 2011	(23,095)	106,460	83,365	-	-	-	-	-	-
Special Education - Preschool-FY 2011	452	-	452	-	-	-	-	-	-
Special Education - Part B 611- FY 2012	(20,853)	845,602	896,675	-	(71,926)	107,378	35,452	-	-
School Age	-	-	-	-	-	386,608	499,428	-	(112,820)
Special Education - Preschool-FY 2012	(5,813)	49,905	43,180	-	912	-	912	-	-
Technical Assistanace	-	-	-	-	-	12,640	14,140	-	(1,500)
Special Ed Improvement-Union County	-	69,907	69,907	-	-	-	-	-	-
Special Ed Improvement-Northeastern	-	70,000	70,000	-	-	-	-	-	-
Special Ed Improvement-Franklin County	-	70,000	70,000	-	-	-	-	-	-
Special Education- Part B - FY 2013	-	411,062	496,519	-	(85,457)	1,086,357	1,008,233	-	(7,333)
Special Education- Preschool - FY 2013	-	-	323	-	(323)	49,287	48,983	-	(19)
Drug Free Schools	77,451	504	29	-	77,926	161	78,087	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(11,404)	68,629	61,674	-	(4,449)	39,283	50,911	-	(16,077)
ITQ, Enhanced Education Through Technology, Title II, Part D	-	-	-	-	-	51,671	55,627	-	(3,956)
Title I - Grants to LEAs	(396)	-	(396)	-	-	-	-	-	-
Education Jobs	-	6,379	6,379	-	-	-	-	-	-
Payroll Clearing Funds	23,444	2,738,295	2,738,718	-	23,021	2,380,772	2,378,688	-	25,105
Totals	\$ 6,001,881	\$ 21,676,512	\$ 22,160,332		\$ 5,518,061	\$ 20,958,402	\$ 20,804,852	\$ -	\$ 5,671,611

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

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

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

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be 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.

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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.

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

The annuity savings account consists of members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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.

Note 7. Cash Balance Deficits

This is a result of disbursements exceeding the amount of available cash in a particular fund. Funds reporting negative cash balances include reimbursable grant funds as well as other funds. Negative cash balances are common and expected for reimbursable grant funds due to grant requirements that the School Corporation make the disbursements before reimbursements are requested. Common reasons for other funds to have negative cash balances are actual receipts fall short of estimated receipts, actual disbursements exceed estimated disbursements, or a combination of both.

Note 8. 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 2013 and 2014, totaled \$2,135,083 and \$2,067,277, respectively.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,274,674	\$ 1,168,338	\$ 70,962	\$ 1,033,125	\$ 376,003	\$ 122,522	\$ 681,212	\$ 133,755	\$ (84,412)
Receipts:									
Local sources	1,097,858	2,069,260	134,861	1,611,555	796,057	107,087	-	408,826	52,833
Intermediate sources	1,088	-	-	-	-	-	-	-	-
State sources	8,613,787	-	-	-	-	-	-	8,550	50,570
Federal sources	-	-	-	-	-	-	-	391,208	-
Other	27,360	-	-	31	17,838	-	-	-	436
Total receipts	9,740,093	2,069,260	134,861	1,611,586	813,895	107,087	-	808,584	103,839
Disbursements:									
Current:									
Instruction	6,916,365	-	-	-	-	-	-	-	-
Support services	3,316,735	-	-	944,297	781,826	144,873	27,565	100	19,954
Noninstructional services	145,431	-	-	-	-	-	-	807,928	-
Facilities acquisition and construction	-	-	-	350,815	-	-	-	-	-
Debt services	-	2,135,083	134,015	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	10,378,531	2,135,083	134,015	1,295,112	781,826	144,873	27,565	808,028	19,954
Excess (deficiency) of receipts over disbursements	(638,438)	(65,823)	846	316,474	32,069	(37,786)	(27,565)	556	83,885
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	100,000	-	15,883
Transfers out	-	(15,883)	-	-	(100,000)	-	-	-	-
Total other financing sources (uses)	-	(15,883)	-	-	(100,000)	-	100,000	-	15,883
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(638,438)	(81,706)	846	316,474	(67,931)	(37,786)	72,435	556	99,768
Cash and investments - ending	\$ 1,636,236	\$ 1,086,632	\$ 71,808	\$ 1,349,599	\$ 308,072	\$ 84,736	\$ 753,647	\$ 134,311	\$ 15,356

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Levy Excess	Special Education	Joint Service and Supply - Special Education Cooperative	Educational License Plates	Alternative Education	Miscellaneous Programs	One Community One Family	FFA - Food For All Grant	UCHS Global Grant
Cash and investments - beginning	\$ 1,764	\$ 68,350	\$ 95,228	\$ 11,588	\$ -	\$ 1,484	\$ 358	\$ -	\$ (1,000)
Receipts:									
Local sources	-	1,332,530	147,095	-	-	-	-	2,500	1,000
Intermediate sources	-	-	-	375	-	-	-	-	-
State sources	-	-	-	-	2,437	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	1,332,530	147,095	375	2,437	-	-	2,500	1,000
Disbursements:									
Current:									
Instruction	-	1,093,612	-	-	-	-	-	930	-
Support services	-	273,553	158,851	-	-	-	358	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,367,165	158,851	-	-	-	358	930	-
Excess (deficiency) of receipts over disbursements	-	(34,635)	(11,756)	375	2,437	-	(358)	1,570	1,000
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	-	(34,635)	(11,756)	375	2,437	-	(358)	1,570	1,000
Cash and investments - ending	\$ 1,764	\$ 33,715	\$ 83,472	\$ 11,963	\$ 2,437	\$ 1,484	\$ -	\$ 1,570	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	College Corner Library	Archery Grant- Union County Foundation	Archery Grant- REMC	Lemonade for Learning	Kinder Camp	Robotics Grant	FCCLA Safe Driving Grant	LES Author Visit- Union County Foundation	LES Reading Rally
Cash and investments - beginning	\$ 3,049	\$ -	\$ -	\$ 355	\$ 152	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	750	750	467	-	2,000	288	750	250
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	750	750	467	-	2,000	288	750	250
Disbursements:									
Current:									
Instruction	-	589	741	-	60	814	288	750	250
Support services	2,507	-	-	294	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	2,507	589	741	294	60	814	288	750	250
Excess (deficiency) of receipts over disbursements	(2,507)	161	9	173	(60)	1,186	-	-	-
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	(2,507)	161	9	173	(60)	1,186	-	-	-
Cash and investments - ending	\$ 542	\$ 161	\$ 9	\$ 528	\$ 92	\$ 1,186	\$ -	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	CC Foundation Grant	LES Red Ribbon	UCHS After Prom	UCMS National Junior Honor Society	UCMS College For a Day	CC Book Buck Stop- REMC	CC Book Buck Stop- Union County Foundation	UCHS Bill of Rights	UCMS Washington DC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 63	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	1,400	-	-	500	331	500	1,500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,400	-	-	500	331	500	1,500	-	-
Disbursements:									
Current:									
Instruction	1,400	-	-	563	263	500	1,500	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	1,400	-	-	563	263	500	1,500	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	(63)	68	-	-	-	-
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	-	-	-	(63)	68	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 68	\$ -	\$ -	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	LES Author Visit- REMC	Teacher Quality Improvement Program	Excellence in Performance Award Grants	Tech Prep	Gifted and Talented- 2012/13	Gifted and Talented- 2013/14	Medicaid Reimbursement	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 3,338	\$ -	\$ 7,321	\$ 1,070	\$ 557
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	31,295	-	37,144	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	31,295	-	37,144	-
Disbursements:									
Current:									
Instruction	-	-	-	-	1,306	18,588	-	-	-
Support services	-	-	-	-	2,032	85	-	17,169	557
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	3,338	18,673	-	17,169	557
Excess (deficiency) of receipts over disbursements	-	-	-	-	(3,338)	12,622	-	19,975	(557)
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	-	-	-	-	(3,338)	12,622	-	19,975	(557)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,622	\$ 7,321	\$ 21,045	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Ohio Title I	Mentorship	Wellness- 2011/12	Wellness- 2012/13	Title I- 7/1/13 to 6/30/14	Title I- 7/1/11 to 6/30/12	Title I- 7/1/12 to 6/30/13	Special Education- Part B-FY 2010	Special Education - Preschool- FY 2014
Cash and investments - beginning	\$ 7,970	\$ 132	\$ 6,928	\$ -	\$ -	\$ (29,756)	\$ -	\$ 6,965	\$ -
Receipts:									
Local sources	-	-	-	20,600	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	29,756	236,496	-	-
Other	-	-	(150)	-	-	-	-	-	-
Total receipts	-	-	(150)	20,600	-	29,756	236,496	-	-
Disbursements:									
Current:									
Instruction	7,970	-	-	14,386	-	-	278,944	6,965	-
Support services	-	-	6,778	5,917	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	7,970	-	6,778	20,303	-	-	278,944	6,965	-
Excess (deficiency) of receipts over disbursements	(7,970)	-	(6,928)	297	-	29,756	(42,448)	(6,965)	-
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	(7,970)	-	(6,928)	297	-	29,756	(42,448)	(6,965)	-
Cash and investments - ending	\$ -	\$ 132	\$ -	\$ 297	\$ -	\$ -	\$ (42,448)	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Special Education- Part B- FY 2011	Special Education - Preschool- FY 2011	Special Education - Part B 611- FY 2012	School Age	Special Education - Preschool- FY 2012	Technical Assistance	Special Ed Improvement- Union County	Special Ed Improvement- Northeastern	Special Ed Improvement- Franklin County
Cash and investments - beginning	\$ (23,095)	\$ 452	\$ (20,853)	\$ -	\$ (5,813)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	106,460	-	845,602	-	49,905	-	69,907	-	-
Other	-	-	-	-	-	-	-	70,000	70,000
Total receipts	106,460	-	845,602	-	49,905	-	69,907	70,000	70,000
Disbursements:									
Current:									
Instruction	10,088	-	307,555	-	-	-	-	-	-
Support services	73,277	452	589,120	-	43,180	-	-	70,000	70,000
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	69,907	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	83,365	452	896,675	-	43,180	-	69,907	70,000	70,000
Excess (deficiency) of receipts over disbursements	23,095	(452)	(51,073)	-	6,725	-	-	-	-
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	23,095	(452)	(51,073)	-	6,725	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (71,926)	\$ -	\$ 912	\$ -	\$ -	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Special Education- Part B - FY 2013	Special Education- Preschool-FY 2013	Drug Free Schools	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title I - Grants to LEAs	Education Jobs	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 77,451	\$ (11,404)	\$ -	\$ (396)	\$ -	\$ 23,444	\$ 6,001,881
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,791,548
Intermediate sources	-	-	-	-	-	-	-	-	1,463
State sources	-	-	-	-	-	-	-	-	8,743,783
Federal sources	411,062	-	504	68,618	-	-	6,379	-	2,215,897
Other	-	-	-	11	-	-	-	2,738,295	2,923,821
Total receipts	411,062	-	504	68,629	-	-	6,379	2,738,295	21,676,512
Disbursements:									
Current:									
Instruction	396,950	-	-	47,277	-	(396)	5,690	-	9,113,948
Support services	99,569	323	29	14,397	-	-	689	-	6,664,487
Noninstructional services	-	-	-	-	-	-	-	-	953,359
Facilities acquisition and construction	-	-	-	-	-	-	-	-	420,722
Debt services	-	-	-	-	-	-	-	-	2,269,098
Other	-	-	-	-	-	-	-	2,738,718	2,738,718
Total disbursements	496,519	323	29	61,674	-	(396)	6,379	2,738,718	22,160,332
Excess (deficiency) of receipts over disbursements	(85,457)	(323)	475	6,955	-	396	-	(423)	(483,820)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	115,883
Transfers out	-	-	-	-	-	-	-	-	(115,883)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,457)	(323)	475	6,955	-	396	-	(423)	(483,820)
Cash and investments - ending	\$ (85,457)	\$ (323)	\$ 77,926	\$ (4,449)	\$ -	\$ -	\$ -	\$ 23,021	\$ 5,518,061

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,636,236	\$ 1,086,632	\$ 71,808	\$ 1,349,599	\$ 308,072	\$ 84,736	\$ 753,647	\$ 134,311	\$ 15,356
Receipts:									
Local sources	1,430,980	2,167,578	137,207	1,565,789	800,194	157,323	-	388,775	58,401
Intermediate sources	547	-	-	-	-	-	-	-	-
State sources	8,403,514	-	-	-	-	-	-	7,164	55,066
Federal sources	-	-	-	-	-	-	-	408,612	-
Other	205,547	114,848	-	-	45,209	-	-	-	-
Total receipts	10,040,588	2,282,426	137,207	1,565,789	845,403	157,323	-	804,551	113,467
Disbursements:									
Current:									
Instruction	6,231,072	-	-	-	-	-	-	-	-
Support services	3,631,418	-	-	872,374	853,560	153,536	7,941	94	163,863
Noninstructional services	143,875	-	-	-	-	-	-	809,215	-
Facilities acquisition and construction	-	-	-	642,839	-	-	-	-	-
Debt services	-	2,069,887	98,818	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	10,006,365	2,069,887	98,818	1,515,213	853,560	153,536	7,941	809,309	163,863
Excess (deficiency) of receipts over disbursements	34,223	212,539	38,389	50,576	(8,157)	3,787	(7,941)	(4,758)	(50,396)
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	34,223	212,539	38,389	50,576	(8,157)	3,787	(7,941)	(4,758)	(50,396)
Cash and investments - ending	\$ 1,670,459	\$ 1,299,171	\$ 110,197	\$ 1,400,175	\$ 299,915	\$ 88,523	\$ 745,706	\$ 129,553	\$ (35,040)

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Levy Excess	Special Education	Joint Service and Supply - Special Education Cooperative	Educational License Plates	Alternative Education	Miscellaneous Programs	One Community One Family	FFA - Food For All Grant	UCHS Global Grant
Cash and investments - beginning	\$ 1,764	\$ 33,715	\$ 83,472	\$ 11,963	\$ 2,437	\$ 1,484	\$ -	\$ 1,570	\$ -
Receipts:									
Local sources	-	456,270	50,365	-	-	2,000	-	2,500	-
Intermediate sources	-	-	-	112	-	-	-	-	-
State sources	-	-	-	-	7,560	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	456,270	50,365	112	7,560	2,000	-	2,500	-
Disbursements:									
Current:									
Instruction	-	466,524	-	-	9,791	372	-	2,892	-
Support services	-	23,461	39,317	-	-	-	-	-	-
Noninstructional services	-	-	21,687	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	489,985	61,004	-	9,791	372	-	2,892	-
Excess (deficiency) of receipts over disbursements	-	(33,715)	(10,639)	112	(2,231)	1,628	-	(392)	-
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	-	(33,715)	(10,639)	112	(2,231)	1,628	-	(392)	-
Cash and investments - ending	\$ 1,764	\$ -	\$ 72,833	\$ 12,075	\$ 206	\$ 3,112	\$ -	\$ 1,178	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	College Corner Library	Archery Grant- Union County Foundation	Archery Grant- REMC	Lemonade for Learning	Kinder Camp	Robotics Grant	FCCLA Safe Driving Grant	LES Author Visit- Union County Foundation	LES Reading Rally
Cash and investments - beginning	\$ 542	\$ 161	\$ 9	\$ 528	\$ 92	\$ 1,186	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	433	-	-	-	600	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	433	-	-	-	600	-
Disbursements:									
Current:									
Instruction	-	161	9	1,255	-	1,186	-	600	-
Support services	-	-	-	(294)	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	161	9	961	-	1,186	-	600	-
Excess (deficiency) of receipts over disbursements	-	(161)	(9)	(528)	-	(1,186)	-	-	-
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	-	(161)	(9)	(528)	-	(1,186)	-	-	-
Cash and investments - ending	\$ 542	\$ -	\$ -	\$ -	\$ 92	\$ -	\$ -	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	CC Foundation Grant	LES Red Ribbon	UCHS After Prom	UCMS National Junior Honor Society	UCMS College For a Day	CC Book Buck Stop- REMC	CC Book Buck Stop- Union County Foundation	UCHS Bill of Rights	UCMS Washington DC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 68	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	1,000	1,000	500	500	330	-	-	250	1,212
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,000	1,000	500	500	330	-	-	250	1,212
Disbursements:									
Current:									
Instruction	1,000	759	500	499	-	-	-	234	-
Support services	-	241	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	1,000	500	499	-	-	-	234	-
Excess (deficiency) of receipts over disbursements	-	-	-	1	330	-	-	16	1,212
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	-	-	-	1	330	-	-	16	1,212
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1	\$ 398	\$ -	\$ -	\$ 16	\$ 1,212

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	LES Author Visit- REMC	Teacher Quality Improvement Program	Excellence in Performance Award Grants	Tech Prep	Gifted and Talented- 2012/13	Gifted and Talented- 2013/14	Medicaid Reimbursement	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,622	\$ 7,321	\$ 21,045	\$ -
Receipts:									
Local sources	750	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	31,029	-	-	5,489	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	4,291	19,046	515	-	-	-	-	-
Total receipts	750	4,291	19,046	515	31,029	-	-	5,489	-
Disbursements:									
Current:									
Instruction	664	3,956	19,046	515	19,829	12,622	-	-	-
Support services	86	335	-	-	137	-	3,862	24,303	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	750	4,291	19,046	515	19,966	12,622	3,862	24,303	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	11,063	(12,622)	(3,862)	(18,814)	-
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	-	-	-	-	11,063	(12,622)	(3,862)	(18,814)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 11,063	\$ -	\$ 3,459	\$ 2,231	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Ohio Title I	Mentorship	Wellness- 2011/12	Wellness- 2012/13	Title I- 7/1/13 to 6/30/14	Title I- 7/1/11 to 6/30/12	Title I- 7/1/12 to 6/30/13	Special Education- Part B-FY 2010	Special Education - Preschool- FY 2014
Cash and investments - beginning	\$ -	\$ 132	\$ -	\$ 297	\$ -	\$ -	\$ (42,448)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	199,745	-	43,525	-	47,698
Other	20,771	-	-	-	-	-	-	-	-
Total receipts	20,771	-	-	-	199,745	-	43,525	-	47,698
Disbursements:									
Current:									
Instruction	20,771	132	-	-	225,999	-	1,077	-	51,830
Support services	-	-	-	297	244	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	20,771	132	-	297	226,243	-	1,077	-	51,830
Excess (deficiency) of receipts over disbursements	-	(132)	-	(297)	(26,498)	-	42,448	-	(4,132)
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	-	(132)	-	(297)	(26,498)	-	42,448	-	(4,132)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (26,498)	\$ -	\$ -	\$ -	\$ (4,132)

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Special Education- Part B- FY 2011	Special Education - Preschool- FY 2011	Special Education - Part B 611- FY 2012	School Age	Special Education - Preschool- FY 2012	Technical Assistance	Special Ed Improvement- Union County	Special Ed Improvement- Northeastern	Special Ed Improvement- Franklin County
Cash and investments - beginning	\$ -	\$ -	\$ (71,926)	\$ -	\$ 912	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	12,640	-	-	-
Federal sources	-	-	107,378	386,608	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	107,378	386,608	-	12,640	-	-	-
Disbursements:									
Current:									
Instruction	-	-	9,031	118,863	-	-	-	-	-
Support services	-	-	26,421	380,565	912	14,140	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	35,452	499,428	912	14,140	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	71,926	(112,820)	(912)	(1,500)	-	-	-
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	-	-	71,926	(112,820)	(912)	(1,500)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (112,820)	\$ -	\$ (1,500)	\$ -	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Special Education- Part B - FY 2013	Special Education- Preschool-FY 2013	Drug Free Schools	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title I - Grants to LEAs	Education Jobs	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ (85,457)	\$ (323)	\$ 77,926	\$ (4,449)	\$ -	\$ -	\$ -	\$ 23,021	\$ 5,518,061
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,223,957
Intermediate sources	-	-	-	-	-	-	-	-	659
State sources	-	-	-	-	-	-	-	-	8,522,462
Federal sources	1,086,357	49,287	161	39,283	51,671	-	-	-	2,420,325
Other	-	-	-	-	-	-	-	2,380,772	2,790,999
Total receipts	1,086,357	49,287	161	39,283	51,671	-	-	2,380,772	20,958,402
Disbursements:									
Current:									
Instruction	79,591	49,306	76,005	32,828	50,576	-	-	-	7,489,495
Support services	928,642	(323)	2,082	18,083	5,051	-	-	-	7,150,348
Noninstructional services	-	-	-	-	-	-	-	-	974,777
Facilities acquisition and construction	-	-	-	-	-	-	-	-	642,839
Debt services	-	-	-	-	-	-	-	-	2,168,705
Other	-	-	-	-	-	-	-	2,378,688	2,378,688
Total disbursements	1,008,233	48,983	78,087	50,911	55,627	-	-	2,378,688	20,804,852
Excess (deficiency) of receipts over disbursements	78,124	304	(77,926)	(11,628)	(3,956)	-	-	2,084	153,550
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	78,124	304	(77,926)	(11,628)	(3,956)	-	-	2,084	153,550
Cash and investments - ending	\$ (7,333)	\$ (19)	\$ -	\$ (16,077)	\$ (3,956)	\$ -	\$ -	\$ 25,105	\$ 5,671,611

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Union County School Building Corporation	2006 Refunding Lease Rental Bond	\$ 458,194	7/15/2007	1/15/2021
Union County School Building Corporation	2008 Refunding Lease Rental Bond	959,000	7/15/2008	7/15/2017
Union County School Building Corporation	2011 Refunding Lease Rental Bond	676,000	1/15/2012	1/15/2019
Union County School Building Corporation	2011 Lease Rental Bond	<u>236,000</u>	12/31/2011	12/31/2020
Total of annual lease payments		<u>\$ 2,329,194</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Pension Bond	<u>\$ 1,040,000</u>	<u>\$ 128,849</u>
Total governmental activities		<u>\$ 1,040,000</u>	<u>\$ 128,849</u>

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 169,085
Buildings	23,707,781
Improvements other than buildings	1,254,750
Machinery, equipment, and vehicles	4,118,658
Books and other	1,457,427
Total governmental activities	30,707,701
Total capital assets	\$ 30,707,701

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Union County College Corner Joint School District's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 items 2014-004 and 2014-005. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-004, and 2014-005 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 24, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	6910	\$ 71,825	\$ 53,483
National School Lunch Program	Indiana Department of Education	10.555	6910	333,977	273,218
Total - Child Nutrition Cluster				405,802	326,701
Total - Department of Agriculture				405,802	326,701
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			13-7950	280,322	-
			14-7950	-	199,745
Total - Title I, Part A Cluster				280,322	199,745
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
			14211-13-PN01	23,418	-
			14212-13-PN01	183,115	23,253
			14213-13-PN01	74,266	230,424
			14214-13-PN01	-	91,138
Total - Special Education_Grants to States				280,799	344,815

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

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2013 and 2014
 (Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education_Grants to States Technical Assistance	Indiana Department of Education	84.027	99914-0-PN01	-	2,715
Special Education_Grants to States Special Education Improvement	Indiana Department of Education	84.027	5250-5259	69,907	-
Special Education_Preschool Grants	Indiana Department of Education	84.173	45712-13-PN01 45713-13-PN01 45714-13-PN01	12,197 - -	- 12,541 11,616
Total - Special Education_Preschool Grants				12,197	24,157
Total - Special Education Cluster (IDEA)				362,903	371,687
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	107-110	61,675	39,283
Education Jobs Fund	Indiana Department of Education	84.410		6,379	-
Total - Department of Education				430,957	410,970
Total federal awards expended				\$ 1,117,081	\$ 937,416

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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 Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 50,881	\$ 48,023

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____

Title I, Part A Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2014-001 - SEGREGATION OF DUTIES OVER FINANCIAL TRANSACTIONS AND REPORTING AND PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

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

1. Lack of Segregation of Duties: The School Corporation has not separated incompatible activities related to receipting and payroll disbursements. The Corporation Treasurer is completing all activities related to receipting of School Corporation funds without any additional oversight, review, or approval process. The Deputy Corporation Treasurer is completing all areas associated with the preparation and disbursement of School Corporation payroll without any additional oversight, review, or approval process. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. Control activities should be in place to reduce the risks of errors in financial reporting.
2. Preparation of the SEFA: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation Treasurer prepared the SEFA; however, there was no control to ensure its accuracy.

The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors:

1. Total federal expenditures were incorrectly reported.
2. Expenditures and information such as grantor agency, program title, pass-through entity, Catalog of Federal Domestic Assistance (CFDA) number, and pass-through identifying number were omitted for some grant awards.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal

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

awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - CASH MANAGEMENT, ELIGIBILITY, PERIOD OF AVAILABILITY, AND REPORTING

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 13-7950, 14-7950

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Period of Availability, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

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

Cash Management and Reporting

For the fiscal years 2013 and 2014, the Corporation Treasurer was the only employee involved in the preparation and submission of Reimbursement Requests and the Final Expenditure Report for Title I. There were no controls over the Reimbursement Requests to ensure expenses being requested for reimbursement were paid prior to the request being submitted or were accurate or the Final Expenditure Report was accurate before they were submitted to Indiana Department of Education. This could lead to the School Corporation requesting reimbursements for expenses before those expenses have been paid or errors in reporting.

Eligibility

For the fiscal years 2013 and 2014, the Title I Director was the only employee responsible for determining eligibility at Liberty Elementary School. The Title I Teacher at College Corner Union Elementary was the only employee responsible for determining eligibility at that school. There were no controls in place to ensure that they were calculated correctly. This could lead to an ineligible child receiving Title I services.

Period of Availability

For the fiscal years 2013 and 2014, there were no controls to ensure that grant funds were incurred and spent within the grant period.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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

FINDING 2014-003 - CASH MANAGEMENT, PERIOD OF AVAILABILITY, AND REPORTING

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14211-13-PN01, 14212-13-PN01,
14213-13-PN01, 14214-13-PN01,
45712-13-PN01, 45713-13-PN01,
45714-13-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Period of Availability, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Cash Management and Reporting

For fiscal year 2014, the School Corporation Treasurer was the only employee involved in the preparation and submission of Requests for Reimbursement for the Special Education grants. There were no controls over the Requests for Reimbursement before they were submitted to East Central Indiana Special Services Special Education Cooperative to ensure expenses being requested for reimbursement were paid prior to the request being submitted or to ensure the Request for Reimbursements were accurate. This could lead to the School Corporation requesting reimbursements for expenses before those expenses have been paid or errors in reporting.

Period of Availability

For fiscal year 2014, there were no controls to ensure that grant funds were incurred and spent within the grant period.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-004 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 13-7950, 14-7950

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Allowable Costs/Cost Principles. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

There were no controls in place during the audit period over payroll to ensure that only employees who should have been paid from Title I were properly charged to the Title I funds. For fiscal years 2013 and 2014, there were semiannual certifications that were signed by the Title I Director or the Principal; however, the Title I Director did not appear on any of the semiannual certifications during the audit period even though the Title I Director was paid from Title I funds. There was also a Title I Aide paid from Title I funds that did not appear on one of the semiannual certifications.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

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

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

OMB Circular A-87, Attachment B, paragraph 8.h. (3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-005 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States,
Special Education_Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 99914-0-PN01, 45712-13-PN01,
45713-13-PN01, 45714-13-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Allowable Costs/Cost Principles - Time and Effort Reporting. The failure to establish an effective internal control system resulted in the School Corporation being in noncompliance with Allowable Costs/Cost Principles compliance requirement related to its Special Education Grants.

There were no controls in place during the audit period over payroll to ensure that employees paid with Special Education funds were working within the Special Education program. The School Corporation failed to prepare the necessary documentation related to Time and Effort Reporting. For those employees that were paid entirely from Special Education funds, the School Corporation did not include their names on a Semi-Annual Certification Activity Report.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

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

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

OMB Circular A-87, Attachment B, paragraph 8.(h.) states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
- (a) More than one Federal award,
 - (b) A Federal award and a non-Federal award,
 - (c) An indirect cost activity and a direct cost activity,
 - (d) Two or more indirect activities which are allocated using different allocation bases, or
 - (e) An unallowable activity and a direct or indirect cost activity."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

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

Zach Rozelle, Superintendent
Al Sustarsic, Assistant Superintendent
Jim Migoski, Director of Information
Technology



Jennifer Gronning, Treasurer
Debbie Blevins, Payroll Clerk
Joe Elleman, Transportation
Director

TO: Whom it May Concern, Indiana State Board of Accounts
FROM: Zach Rozelle, Superintendent
DATE: October 15, 2015
RE: Corrective Action Plan

Section II

FINDING 2014 – 001

- To the extent that it is possible to do so in a small school corporation operating with limited staff Union County College Corner Joint School District will work to separate incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances.
- The Corporation Treasurer will continue to prepare the Schedule of Expenditures of Federal Awards (SEFA). The Union County College Corner Joint School District will require that the Superintendent and Director of the East Central Indiana Special Education Cooperative of which we are the LEA will both review the SEFA and sign off on that review prior to the SEFA being submitted by the Corporation Treasurer.

Section III

FINDING 2014 – 002

- To the extent that it is possible to do so in a small school corporation operating with limited staff Union County College Corner Joint School District will work to establish segregation of duties to as they pertain to the administration of Title 1 and / or additional administrative oversight and sign off regarding matters pertaining to Title 1.
- The Union County College Corner Joint School District will require the Superintendent and / or his or her designee to review Reimbursement Requests and the Final Expenditure Report for Title 1 prior to their being submitted to the Indiana Department of Education and that individual will sign off on that review.
- The Union County College Corner Joint School District will require the Title 1 Teacher at Liberty Elementary School and the Title 1 Teacher at College Corner Union School will review the determinations for eligibility within one another's respective locations to ensure they were calculated correctly and both will sign off one another's determinations.

FINDING 2014 – 003


- The East Central Indiana Special Education Cooperative Administrative Assistant will prepare and submit the Requests for Reimbursement for Special Education. The Union County College Corner Joint School District will require that the District Treasurer and Director of the East Central Indiana Special Education Cooperative of which we are the LEA will both review the Requests for Reimbursement for Special Education and sign off on the requests prior to their being submitted by the East Central Indiana Special Education Cooperative Administrative Assistant.

FINDING 2014 – 004

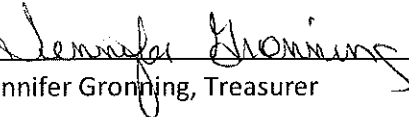
- To the extent that it is possible to do so in a small school corporation operating with limited staff Union County College Corner Joint School District will work to establish segregation of duties to as they pertain to the administration of Title 1 and / or additional administrative oversight and sign off regarding matters pertaining to Title 1.
- The Union County College Corner Joint School District will require that both the District Payroll Clerk will review payroll documentation with the Director of Title 1 to ensure that only employees who should be paid from Title 1 are properly included in the fund. Both will sign off to ensure the information is correct.

Finding 2014 – 005

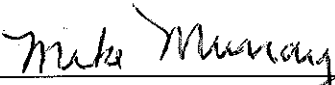
- Where employees are expected to work solely on a single Federal award or cost objective charges for their salaries and wages will be supported by a minimum annual certification that the employees worked solely on that program for the period covered by the certification. That certification will be signed off on by individuals with direct knowledge of the Federal award being certified and the Superintendent.



Zach Rozelle, Superintendent



Jennifer Groning, Treasurer



Mike Murray, President, Union County College Corner Joint School District Board of School Trustees

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.