

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, 2016 to June 30, 2018



FILED
04/30/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Blakley	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Zach Rozelle Al Sustarsic (acting) Lynn Sheets (interim) Joe Backmeyer Christopher Winchell	07-01-16 to 11-14-16 11-15-16 to 06-30-17 11-15-16 to 01-31-17 02-01-17 to 06-30-17 07-01-17 to 06-30-19
President of the School Board	Mike Murray Mary Eversole	01-01-16 to 12-31-18 01-01-19 to 12-31-19



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, 2016 to June 30, 2018, 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 from 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 to 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, 2016 to June 30, 2018.

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, 2016 to June 30, 2018, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 Payables and Receivables, 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 April 3, 2019, 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 solely 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 effectiveness of the School Corporation's 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

April 3, 2019



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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, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated April 3, 2019, 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.

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

April 3, 2019

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FINANCIAL STATEMENT 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, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 1,000,378	\$ 9,998,780	\$ 10,444,242	\$ -	\$ 554,916	\$ 9,727,731	\$ 9,777,207	\$ -	\$ 505,440
Debt Service	1,305,484	2,003,370	2,222,000	-	1,086,854	2,060,347	1,834,636	-	1,312,565
Retirement/Severance Bond Debt Service	177,246	63,729	128,838	-	112,137	64,104	134,378	-	41,863
Capital Projects	1,047,974	1,621,267	1,490,166	-	1,179,075	1,486,497	1,359,065	(200,000)	1,106,507
School Transportation	422,595	878,250	777,580	(100,000)	423,265	881,374	799,081	(100,000)	405,558
School Bus Replacement	99,420	181,840	170,046	-	111,214	175,152	176,824	-	109,542
Rainy Day	785,686	-	38,998	100,000	846,688	-	-	300,000	1,146,688
School Lunch	7,943	856,581	766,486	-	98,038	785,685	757,686	-	126,037
Textbook Rental	42,559	109,333	179,865	-	(27,973)	112,729	14,340	-	70,416
Levy Excess	1,764	-	-	-	1,764	-	-	-	1,764
Joint Services and Supply - Special Education Cooperative	54,662	147,050	98,028	-	103,684	10,064	97,247	-	16,501
Joint Services and Supply - Other	-	5,866	45,217	-	(39,351)	179,650	134,083	-	6,216
Educational License Plates	12,300	113	-	-	12,413	131	-	-	12,544
Alternative Education	25,961	16,802	42,064	-	699	15,672	16,371	-	-
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	1,871,408	234,681	-	1,636,727
Miscellaneous Programs	(11,501)	18,432	6,931	-	-	12,902	2,694	-	10,208
UC Foundation - Archery Grant	189	-	189	-	-	1,500	1,500	-	-
Kinder Camp	73	-	-	-	73	-	73	-	-
LES Author Visit-Union County Foundation	850	-	381	-	469	-	-	-	469
LES Red Ribbon Grant	-	500	297	-	203	-	203	-	-
UCHS After Prom Grant	-	1,000	1,000	-	-	1,000	1,000	-	-
UCMS NJHS Grant	-	164	164	-	-	145	141	-	4
UCMS College for a Day	103	425	528	-	-	500	-	-	500
CCUS Book Buck Stop Grant	-	-	-	-	-	2,000	2,000	-	-
UCMS Washington DC	1,590	310	1,900	-	-	1,926	-	-	1,926
UCHS Academic Team	522	1,200	1,445	-	277	1,200	1,257	-	220
LES Field Trips Grant	-	-	-	-	-	3,094	1,400	-	1,694
Guidance Grant	850	3,750	4,370	-	230	2,300	2,531	-	(1)
Campus Beautification Pro	1,049	-	1,049	-	-	-	-	-	-
Model Leg Project 15-16	27	431	433	-	25	225	-	-	250
Student Care Fund	124	-	124	-	-	1,336	310	-	1,026
Lions Club-Pay It Forward	200	-	-	-	200	-	-	-	200
HS National Children's Oral Health	-	1,000	984	-	16	-	-	-	16
Technology Grant	-	3,000	2,996	-	4	-	-	-	4
Kings Island Education Day	-	600	-	-	600	-	600	-	-

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, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
Counseling Day	-	30,000	18,067	-	11,933	-	11,935	-	(2)
HS Special Ed Grant	-	-	-	-	-	1,500	1,388	-	112
HS Water Bottle Filling Station	-	-	-	-	-	1,450	-	-	1,450
Formative Assessment	-	14,604	14,604	-	-	14,308	6,820	-	7,488
Teacher Quality Improvement Program	-	-	-	-	-	4,697	-	-	4,697
Excellence in Performance Award Grants	-	20,425	20,424	-	1	22,478	22,477	-	2
Gifted and Talented 2016	-	31,504	30,183	-	1,321	-	1,321	-	-
Gifted and Talented 2017	-	-	(1)	-	1	31,224	22,765	-	8,460
Medicaid Reimbursement	301	34,827	247	-	34,881	45,385	18,145	-	62,121
School Technology	4,262	18,119	14,405	-	7,976	23,369	22,831	-	8,514
Career and Technical Performance Grant	-	9,890	6,521	-	3,369	6,444	6,103	-	3,710
Performance Based Awards	-	-	-	-	-	40,768	40,767	-	1
Ohio Title I	-	25,025	25,025	-	-	29,171	29,171	-	-
Ohio Tutoring Services	-	-	-	-	-	10,000	6,645	-	3,355
Title I 2016	-	174,422	207,180	-	(32,758)	32,758	-	-	-
Title I 2017	-	-	-	-	-	157,342	188,283	-	(30,941)
Title I-7/1/11 to 6/30/12	(36,029)	36,029	-	-	-	-	-	-	-
Federal Grant Part B	(121,404)	1,175,326	1,053,922	-	-	-	-	-	-
Federal Preschool	-	-	-	-	-	27,391	29,023	-	(1,632)
Part B 2016	-	452,511	620,405	-	(167,894)	1,150,703	981,914	-	895
Part B 2017	-	-	-	-	-	503,889	669,554	-	(165,665)
Part B Preschool Grant	(306)	32,897	32,591	-	-	-	-	-	-
Preschool	-	-	-	-	-	50,526	50,526	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(4,861)	5,803	943	-	(1)	-	-	-	(1)
Title IV	-	-	-	-	-	10,324	20,336	-	(10,012)
Medicaid Reimbursement - Federal	83,370	34,496	4,755	-	113,111	28,529	59,542	-	82,098
Payroll Clearing	51,454	2,414,363	2,395,984	-	69,833	2,222,574	2,218,826	-	73,581
Cafeteria Pre-Pay	61,367	(48,716)	190	-	12,461	1,852	476	-	13,837
Improving Teacher Quality, No Child Left, Title II, Part A	(459)	31,909	42,412	-	(10,962)	22,689	14,345	-	(2,618)
ITQ, Enhanced Education Through Technology, Title II, Part D	(15,811)	15,811	-	-	-	42,699	44,105	-	(1,406)
Totals	\$ 4,999,932	\$ 20,423,038	\$ 20,914,178	\$ -	\$ 4,508,792	\$ 21,880,742	\$ 19,816,606	\$ -	\$ 6,572,928

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, the following: 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 include the following sources:

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

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: 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. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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 include the following uses:

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: 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. Amounts 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. Amounts 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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

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.

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

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

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. 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

The financial statement contains some funds with deficits in cash. This is primarily the result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 and 2018. The Textbook Rental fund accounted for replacing old textbooks and the disbursements from this fund were for new textbooks. Textbooks were ordered before the start of the school year which put the fund in a deficit until the state's payment in January.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the 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 2017 and 2018 totaled \$2,222,000 and \$1,695,998, respectively.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 Indiana Gateway for Government Units 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 School Corporation's Financial Reports 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, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,000,378	\$ 1,305,484	\$ 177,246	\$ 1,047,974	\$ 422,595	\$ 99,420	\$ 785,686	\$ 7,943	\$ 42,559	\$ 1,764
Receipts:										
Local sources	1,385,053	2,003,370	63,729	1,619,416	854,288	181,840	-	441,220	57,669	-
Intermediate sources	553	-	-	-	-	-	-	-	-	-
State sources	8,487,972	-	-	-	-	-	-	7,276	49,788	-
Federal sources	-	-	-	-	-	-	-	406,912	-	-
Other receipts	125,202	-	-	1,851	23,962	-	-	1,173	1,876	-
Total receipts	9,998,780	2,003,370	63,729	1,621,267	878,250	181,840	-	856,581	109,333	-
Disbursements:										
Instruction	6,803,288	-	-	-	-	-	-	-	-	-
Support services	3,497,637	-	-	953,267	777,580	170,046	38,998	69	179,865	-
Noninstructional services	143,317	-	-	-	-	-	-	766,417	-	-
Facilities acquisition and construction	-	-	-	536,899	-	-	-	-	-	-
Debt service	-	2,222,000	128,838	-	-	-	-	-	-	-
Total disbursements	10,444,242	2,222,000	128,838	1,490,166	777,580	170,046	38,998	766,486	179,865	-
Excess (deficiency) of receipts over disbursements	(445,462)	(218,630)	(65,109)	131,101	100,670	11,794	(38,998)	90,095	(70,532)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	100,000	-	-	-
Transfers out	-	-	-	-	(100,000)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(100,000)	-	100,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(445,462)	(218,630)	(65,109)	131,101	670	11,794	61,002	90,095	(70,532)	-
Cash and investments - ending	\$ 554,916	\$ 1,086,854	\$ 112,137	\$ 1,179,075	\$ 423,265	\$ 111,214	\$ 846,688	\$ 98,038	\$ (27,973)	\$ 1,764

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, 2017

	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - Other	Educational License Plates	Alternative Education	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	UC Foundation - Archery Grant	Kinder Camp	LES Author Visit- Union County Foundation	LES Red Ribbon Grant
Cash and investments - beginning	\$ 54,662	\$ -	\$ 12,300	\$ 25,961	\$ -	\$ (11,501)	\$ 189	\$ 73	\$ 850	\$ -
Receipts:										
Local sources	146,050	5,866	-	-	-	18,432	-	-	-	500
Intermediate sources	-	-	113	-	-	-	-	-	-	-
State sources	-	-	-	16,802	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	1,000	-	-	-	-	-	-	-	-	-
Total receipts	147,050	5,866	113	16,802	-	18,432	-	-	-	500
Disbursements:										
Instruction	2,265	42,682	-	42,064	-	6,931	189	-	381	297
Support services	79,125	2,535	-	-	-	-	-	-	-	-
Noninstructional services	16,638	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total disbursements	98,028	45,217	-	42,064	-	6,931	189	-	381	297
Excess (deficiency) of receipts over disbursements	49,022	(39,351)	113	(25,262)	-	11,501	(189)	-	(381)	203
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	49,022	(39,351)	113	(25,262)	-	11,501	(189)	-	(381)	203
Cash and investments - ending	\$ 103,684	\$ (39,351)	\$ 12,413	\$ 699	\$ -	\$ -	\$ -	\$ 73	\$ 469	\$ 203

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, 2017

	UCLS After Prom Grant	UCMS NJHS Grant	UCMS College for a Day	CCUS Book Buck Stop Grant	UCMS Washington DC	UCLS Academic Team	LES Field Trips Grant	Guidance Grant	Campus Beautification Pro	Model Leg Project 15-16
Cash and investments - beginning	\$ -	\$ -	\$ 103	\$ -	\$ 1,590	\$ 522	\$ -	\$ 850	\$ 1,049	\$ 27
Receipts:										
Local sources	1,000	164	425	-	310	1,200	-	3,750	-	431
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	164	425	-	310	1,200	-	3,750	-	431
Disbursements:										
Instruction	-	164	528	-	-	1,445	-	4,370	1,049	433
Support services	1,000	-	-	-	1,900	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	164	528	-	1,900	1,445	-	4,370	1,049	433
Excess (deficiency) of receipts over disbursements	-	-	(103)	-	(1,590)	(245)	-	(620)	(1,049)	(2)
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	-	-	(103)	-	(1,590)	(245)	-	(620)	(1,049)	(2)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277	\$ -	\$ 230	\$ -	\$ 25

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

	Student Care Fund	Lions Club- Pay It Forward	HS National Children's Oral Health	Technology Grant	Kings Island Education Day	Counseling Day	HS Special Ed Grant	HS Water Bottle Filling Station	Formative Assessment	Teacher Quality Improvement Program
Cash and investments - beginning	\$ 124	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	1,000	3,000	600	30,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	14,604	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,000	3,000	600	30,000	-	-	14,604	-
Disbursements:										
Instruction	-	-	984	-	-	503	-	-	14,604	-
Support services	124	-	-	2,996	-	17,564	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total disbursements	124	-	984	2,996	-	18,067	-	-	14,604	-
Excess (deficiency) of receipts over disbursements	(124)	-	16	4	600	11,933	-	-	-	-
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	(124)	-	16	4	600	11,933	-	-	-	-
Cash and investments - ending	\$ -	\$ 200	\$ 16	\$ 4	\$ 600	\$ 11,933	\$ -	\$ -	\$ -	\$ -

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

	Excellence in Performance Award Grants	Gifted and Talented 2016	Gifted and Talented 2017	Medicaid Reimbursement	School Technology	Career and Technical Performance Grant	Performance Based Awards	Ohio Title I	Ohio Tutoring Services
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 301	\$ 4,262	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	31,504	-	-	18,119	-	-	-	-
Federal sources	-	-	-	34,827	-	9,890	-	-	-
Other receipts	20,425	-	-	-	-	-	-	25,025	-
Total receipts	20,425	31,504	-	34,827	18,119	9,890	-	25,025	-
Disbursements:									
Instruction	20,424	30,183	(1)	-	-	6,521	-	25,025	-
Support services	-	-	-	247	14,405	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total disbursements	20,424	30,183	(1)	247	14,405	6,521	-	25,025	-
Excess (deficiency) of receipts over disbursements	1	1,321	1	34,580	3,714	3,369	-	-	-
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	1,321	1	34,580	3,714	3,369	-	-	-
Cash and investments - ending	\$ 1	\$ 1,321	\$ 1	\$ 34,881	\$ 7,976	\$ 3,369	\$ -	\$ -	\$ -

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, 2017

	Title I 2016	Title I 2017	Title I- 7/1/11 to 6/30/12	Federal Grant Part B	Federal Preschool	Part B 2016	Part B 2017	Part B Preschool Grant	Preschool
Cash and investments - beginning	\$ -	\$ -	\$ (36,029)	\$ (121,404)	\$ -	\$ -	\$ -	\$ (306)	\$ -
Receipts:									
Local sources	-	-	-	942	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	174,422	-	36,029	1,174,384	-	452,511	-	32,897	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	174,422	-	36,029	1,175,326	-	452,511	-	32,897	-
Disbursements:									
Instruction	207,180	-	-	72,617	-	43,922	-	32,591	-
Support services	-	-	-	981,305	-	576,483	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total disbursements	207,180	-	-	1,053,922	-	620,405	-	32,591	-
Excess (deficiency) of receipts over disbursements	(32,758)	-	36,029	121,404	-	(167,894)	-	306	-
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	(32,758)	-	36,029	121,404	-	(167,894)	-	306	-
Cash and investments - ending	\$ (32,758)	\$ -	\$ -	\$ -	\$ -	\$ (167,894)	\$ -	\$ -	\$ -

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, 2017

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Title IV	Medicaid Reimbursement - Federal	Payroll Clearing	Cafeteria Pre-Pay	Improving Teacher Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Totals
Cash and investments - beginning	\$ (4,861)	\$ -	\$ 83,370	\$ 51,454	\$ 61,367	\$ (459)	\$ (15,811)	\$ 4,999,932
Receipts:								
Local sources	-	-	-	-	-	-	-	6,820,255
Intermediate sources	-	-	-	-	-	-	-	666
State sources	-	-	-	-	-	-	-	8,626,065
Federal sources	5,803	-	34,496	-	-	31,909	15,811	2,409,891
Other receipts	-	-	-	2,414,363	(48,716)	-	-	2,566,161
Total receipts	5,803	-	34,496	2,414,363	(48,716)	31,909	15,811	20,423,038
Disbursements:								
Instruction	1,673	-	-	-	-	32,632	-	7,394,944
Support services	(730)	-	4,755	-	-	9,780	-	7,308,951
Noninstructional services	-	-	-	2,395,984	190	-	-	3,322,546
Facilities acquisition and construction	-	-	-	-	-	-	-	536,899
Debt service	-	-	-	-	-	-	-	2,350,838
Total disbursements	943	-	4,755	2,395,984	190	42,412	-	20,914,178
Excess (deficiency) of receipts over disbursements	4,860	-	29,741	18,379	(48,906)	(10,503)	15,811	(491,140)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	100,000
Transfers out	-	-	-	-	-	-	-	(100,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,860	-	29,741	18,379	(48,906)	(10,503)	15,811	(491,140)
Cash and investments - ending	\$ (1)	\$ -	\$ 113,111	\$ 69,833	\$ 12,461	\$ (10,962)	\$ -	\$ 4,508,792

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2018

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 554,916	\$ 1,086,854	\$ 112,137	\$ 1,179,075	\$ 423,265	\$ 111,214	\$ 846,688	\$ 98,038	\$ (27,973)	\$ 1,764
Receipts:										
Local sources	1,405,838	2,060,347	64,104	1,486,145	856,306	175,152	-	365,943	60,900	-
Intermediate sources	26,550	-	-	-	-	-	-	-	-	-
State sources	8,092,011	-	-	-	-	-	-	7,051	51,309	-
Federal sources	-	-	-	-	-	-	-	411,856	-	-
Other receipts	203,332	-	-	352	25,068	-	-	835	520	-
Total receipts	9,727,731	2,060,347	64,104	1,486,497	881,374	175,152	-	785,685	112,729	-
Disbursements:										
Instruction	6,312,013	-	-	-	-	-	-	-	-	-
Support services	3,323,925	-	-	821,650	799,081	176,824	-	7	14,340	-
Noninstructional services	141,269	-	-	-	-	-	-	757,679	-	-
Facilities acquisition and construction	-	-	-	537,415	-	-	-	-	-	-
Debt service	-	1,834,636	134,378	-	-	-	-	-	-	-
Total disbursements	9,777,207	1,834,636	134,378	1,359,065	799,081	176,824	-	757,686	14,340	-
Excess (deficiency) of receipts over disbursements	(49,476)	225,711	(70,274)	127,432	82,293	(1,672)	-	27,999	98,389	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	300,000	-	-	-
Transfers out	-	-	-	(200,000)	(100,000)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(200,000)	(100,000)	-	300,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(49,476)	225,711	(70,274)	(72,568)	(17,707)	(1,672)	300,000	27,999	98,389	-
Cash and investments - ending	\$ 505,440	\$ 1,312,565	\$ 41,863	\$ 1,106,507	\$ 405,558	\$ 109,542	\$ 1,146,688	\$ 126,037	\$ 70,416	\$ 1,764

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, 2018

	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - Other	Educational License Plates	Alternative Education	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	UC Foundation - Archery Grant	Kinder Camp	LES Author Visit- Union County Foundation	LES Red Ribbon Grant
Cash and investments - beginning	\$ 103,684	\$ (39,351)	\$ 12,413	\$ 699	\$ -	\$ -	\$ -	\$ 73	\$ 469	\$ 203
Receipts:										
Local sources	7,597	179,650	-	-	-	12,902	1,500	-	-	-
Intermediate sources	-	-	131	-	-	-	-	-	-	-
State sources	-	-	-	15,672	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	2,467	-	-	-	1,871,408	-	-	-	-	-
Total receipts	10,064	179,650	131	15,672	1,871,408	12,902	1,500	-	-	-
Disbursements:										
Instruction	8,998	129,335	-	16,371	-	2,694	1,500	73	-	203
Support services	71,844	4,748	-	-	50,766	-	-	-	-	-
Noninstructional services	16,405	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	183,915	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total disbursements	97,247	134,083	-	16,371	234,681	2,694	1,500	73	-	203
Excess (deficiency) of receipts over disbursements	(87,183)	45,567	131	(699)	1,636,727	10,208	-	(73)	-	(203)
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	(87,183)	45,567	131	(699)	1,636,727	10,208	-	(73)	-	(203)
Cash and investments - ending	\$ 16,501	\$ 6,216	\$ 12,544	\$ -	\$ 1,636,727	\$ 10,208	\$ -	\$ -	\$ 469	\$ -

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, 2018

	UCLS After Prom Grant	UCMS NJHS Grant	UCMS College for a Day	CCUS Book Buck Stop Grant	UCMS Washington DC	UCLS Academic Team	LES Field Trips Grant	Guidance Grant	Campus Beautification Pro	Model Leg Project 15-16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277	\$ -	\$ 230	\$ -	\$ 25
Receipts:										
Local sources	1,000	145	500	2,000	1,926	1,200	3,094	2,300	-	225
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	145	500	2,000	1,926	1,200	3,094	2,300	-	225
Disbursements:										
Instruction	-	141	-	2,000	-	1,257	1,400	2,531	-	-
Support services	1,000	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	141	-	2,000	-	1,257	1,400	2,531	-	-
Excess (deficiency) of receipts over disbursements	-	4	500	-	1,926	(57)	1,694	(231)	-	225
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4	500	-	1,926	(57)	1,694	(231)	-	225
Cash and investments - ending	\$ -	\$ 4	\$ 500	\$ -	\$ 1,926	\$ 220	\$ 1,694	\$ (1)	\$ -	\$ 250

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, 2018

	Student Care Fund	Lions Club- Pay It Forward	HS National Children's Oral Health	Technology Grant	Kings Island Education Day	Counseling Day	HS Special Ed Grant	HS Water Bottle Filling Station	Formative Assessment	Teacher Quality Improvement Program
Cash and investments - beginning	\$ -	\$ 200	\$ 16	\$ 4	\$ 600	\$ 11,933	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	1,336	-	-	-	-	-	1,500	1,450	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	14,308	4,697
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,336	-	-	-	-	-	1,500	1,450	14,308	4,697
Disbursements:										
Instruction	-	-	-	-	45	37	1,388	-	6,820	-
Support services	310	-	-	-	555	11,898	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total disbursements	310	-	-	-	600	11,935	1,388	-	6,820	-
Excess (deficiency) of receipts over disbursements	1,026	-	-	-	(600)	(11,935)	112	1,450	7,488	4,697
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	1,026	-	-	-	(600)	(11,935)	112	1,450	7,488	4,697
Cash and investments - ending	\$ 1,026	\$ 200	\$ 16	\$ 4	\$ -	\$ (2)	\$ 112	\$ 1,450	\$ 7,488	\$ 4,697

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, 2018

	Excellence in Performance Award Grants	Gifted and Talented 2016	Gifted and Talented 2017	Medicaid Reimbursement	School Technology	Career and Technical Performance Grant	Performance Based Awards	Ohio Title I	Ohio Tutoring Services
Cash and investments - beginning	\$ 1	\$ 1,321	\$ 1	\$ 34,881	\$ 7,976	\$ 3,369	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	379	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	31,224	-	22,402	-	40,389	-	-
Federal sources	-	-	-	45,385	-	6,444	-	29,171	-
Other receipts	22,478	-	-	-	967	-	-	-	10,000
Total receipts	22,478	-	31,224	45,385	23,369	6,444	40,768	29,171	10,000
Disbursements:									
Instruction	22,477	1,321	22,765	18,145	-	6,103	40,767	29,171	-
Support services	-	-	-	-	22,831	-	-	-	6,645
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total disbursements	22,477	1,321	22,765	18,145	22,831	6,103	40,767	29,171	6,645
Excess (deficiency) of receipts over disbursements	1	(1,321)	8,459	27,240	538	341	1	-	3,355
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	(1,321)	8,459	27,240	538	341	1	-	3,355
Cash and investments - ending	\$ 2	\$ -	\$ 8,460	\$ 62,121	\$ 8,514	\$ 3,710	\$ 1	\$ -	\$ 3,355

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, 2018

	Title I 2016	Title I 2017	Title I- 7/1/11 to 6/30/12	Federal Grant Part B	Federal Preschool	Part B 2016	Part B 2017	Part B Preschool Grant	Preschool
Cash and investments - beginning	\$ (32,758)	\$ -	\$ -	\$ -	\$ -	\$ (167,894)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	885	-	-	1,972
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	32,758	157,342	-	-	27,391	1,149,818	503,889	-	48,554
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	32,758	157,342	-	-	27,391	1,150,703	503,889	-	50,526
Disbursements:									
Instruction	-	188,283	-	1,852	29,023	37,216	71,151	-	50,526
Support services	-	-	-	(1,852)	-	942,898	598,403	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,800	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total disbursements	-	188,283	-	-	29,023	981,914	669,554	-	50,526
Excess (deficiency) of receipts over disbursements	32,758	(30,941)	-	-	(1,632)	168,789	(165,665)	-	-
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	32,758	(30,941)	-	-	(1,632)	168,789	(165,665)	-	-
Cash and investments - ending	\$ -	\$ (30,941)	\$ -	\$ -	\$ (1,632)	\$ 895	\$ (165,665)	\$ -	\$ -

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, 2018

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Title IV	Medicaid Reimbursement - Federal	Payroll Clearing	Cafeteria Pre-Pay	Improving Teacher Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Totals
Cash and investments - beginning	\$ (1)	\$ -	\$ 113,111	\$ 69,833	\$ 12,461	\$ (10,962)	\$ -	\$ 4,508,792
Receipts:								
Local sources	-	-	-	-	-	-	105	6,966,401
Intermediate sources	-	-	-	-	-	-	-	26,681
State sources	-	-	-	-	-	-	-	8,279,063
Federal sources	-	10,324	28,529	-	-	22,689	42,594	2,516,744
Other receipts	-	-	-	2,222,574	1,852	-	-	4,361,853
Total receipts	-	10,324	28,529	2,222,574	1,852	22,689	42,699	21,880,742
Disbursements:								
Instruction	-	6,523	52,618	-	-	6,780	35,829	7,107,356
Support services	-	13,813	6,924	-	-	7,565	8,276	6,882,451
Noninstructional services	-	-	-	2,218,826	476	-	-	3,134,655
Facilities acquisition and construction	-	-	-	-	-	-	-	723,130
Debt service	-	-	-	-	-	-	-	1,969,014
Total disbursements	-	20,336	59,542	2,218,826	476	14,345	44,105	19,816,606
Excess (deficiency) of receipts over disbursements	-	(10,012)	(31,013)	3,748	1,376	8,344	(1,406)	2,064,136
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	300,000
Transfers out	-	-	-	-	-	-	-	(300,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(10,012)	(31,013)	3,748	1,376	8,344	(1,406)	2,064,136
Cash and investments - ending	\$ (1)	\$ (10,012)	\$ 82,098	\$ 73,581	\$ 13,837	\$ (2,618)	\$ (1,406)	\$ 6,572,928

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UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 160,527</u>	<u>\$ 90,554</u>

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Union County School Building Corporation	Series 2016	\$ 594,525	7/15/2016	1/15/2024
Union County School Building Corporation	SBC QSBC 2011	440,020	1/15/2012	1/15/2021
Union County School Building Corporation	2011 Lease Rental Bond	<u>556,538</u>	12/31/2011	1/15/2019
Total governmental activities		<u>1,591,083</u>		
Total of annual lease payments		<u>\$ 1,591,083</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	2017 Improvement Bonds	\$ 1,575,000	\$ 657,641
General obligation bonds	Pension Bond	<u>715,000</u>	<u>129,423</u>
Total governmental activities		<u>2,290,000</u>	<u>787,064</u>
Totals		<u>\$ 2,290,000</u>	<u>\$ 787,064</u>

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2018

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	23,918,781
Machinery, equipment, and vehicles	3,822,910
Construction in progress	1,800,000
Books and other	<u>1,286,258</u>
Total governmental activities	<u>30,997,034</u>
Total capital assets	<u><u>\$ 30,997,034</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the 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 *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on the 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 its major federal program for the period of July 1, 2016 to June 30, 2018.

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

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001, that we consider to be a material weakness.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

April 3, 2019

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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, 2017 and 2018

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	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Breakfast Program			FY16	\$ -	\$ 87,007	\$ -	\$ -
Breakfast Program			FY17	-	-	-	18,704
Breakfast Program			FY18	-	-	-	69,432
Total - School Breakfast Program				-	87,007	-	88,136
National School Lunch Program							
Lunch Program	Indiana Department of Education	10.555					
Lunch Program			FY16	-	319,905	-	-
Lunch Program			FY17	-	-	-	68,785
Lunch Program			FY18	-	-	-	254,935
Commodities				-	52,440	-	55,623
Total - National School Lunch Program				-	372,345	-	379,343
Total - Child Nutrition Cluster				-	459,352	-	467,479
Total - Department of Agriculture				-	459,352	-	467,479
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
IDEA Part B Section 611			14215-013-PN01	-	1,217	-	-
IDEA Part B Section 611			14216-011-PN01	-	245,916	-	-
IDEA Part B Section 611			14217-011-PN01	-	94,484	-	240,267
IDEA Part B Section 611			18611-011-PN01	-	-	-	103,348
Total - Special Education Grants to States				-	341,617	-	343,615

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2017 and 2018

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	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Special Education Preschool Grants	Indiana Department of Education	84.173					
IDEA Part B Section 619			18619-011-PN01	-	-	-	6,601
IDEA Part B Section 619			45716-011-PN01	-	8,030	-	-
IDEA Part B Section 619			45717-011-PN01	-	-	-	12,258
Total - Special Education Preschool Grants				-	8,030	-	18,859
Total - Special Education Cluster (IDEA)				-	349,647	-	362,474
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			S010A150014	-	51,607	-	-
Title I			S010A160014	-	158,843	-	32,758
Title I			S010A170014	-	-	-	157,342
Total - Title I Grants to Local Educational Agencies				-	210,450	-	190,100
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			S367A140013	-	15,811	-	-
Title II Part A			S367A150013	-	31,909	-	22,689
Title II Part A			S367A160013	-	-	-	42,594
Total - Supporting Effective Instruction State Grants				-	47,720	-	65,283
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IVA			S424A170015	-	-	-	10,324
Total - Student Support and Academic Enrichment Program				-	-	-	10,324
Total - Department of Education				-	607,817	-	628,181
Total federal awards expended				\$ -	\$ 1,067,169	\$ -	\$ 1,095,660

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	Child Nutrition Cluster
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that is required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity
 Federal Agency: Department of Agriculture
 Federal Program: National School Lunch Program
 CFDA Number: 10.555
 Federal Award Numbers and Years (or Other Identifying Numbers): FY16, FY17, FY18
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
 Audit Finding: Material Weakness

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-005.

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The School Corporation had not established a system of internal controls over the Special Tests and Provisions - Paid Lunch Equity compliance requirement. One employee performed all procedures related to the paid lunch equity calculations without any oversight, review, or approval process to ensure its accuracy.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

2 CFR section 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement. 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, or approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan, which is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are 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

Christopher Winchell, Superintendent
Jennifer Blakley, Treasurer
Debbie Blevins, Payroll Clerk
Linda Hufferd, Administrative Assistant



Jim Migoski, IT Director
Joe Elleman, Transportation Director
Jeff Cerqua, Maintenance Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal Year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Jennifer Blakley
Contact Phone Number: 765-458-7471

Status of Audit Finding:

- Corrective action was completed in January, 2017.

FINDING 2016-002

Fiscal Year in which the finding initially occurred: 2016
Pass-Through Entity, if pass through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Jennifer Blakley
Contact Phone Number: 765-458-7471

Status of Audit Finding:

- Corrective action was completed in August of 2017, upon the completion of the SEFA.

FINDING 2016-003

Fiscal Year in which the finding initially occurred: 2016
Pass-Through Entity, if pass through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jennifer Blakley
Contact Phone Number: 765-458-7471

Status of Audit Finding:

- Corrective action was completed on September 20, 2017.

FINDING 2016-004

Fiscal Year in which the finding initially occurred: 2016
Pass-Through Entity, if pass through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jennifer Blakley
Contact Phone Number: 765-458-7471

Status of Audit Finding:

- Corrective action was completed in January, 2016.

FINDING 2016-005

Fiscal Year in which the finding initially occurred: 2016

Pass-Through Entity, if pass through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jennifer Blakley

Contact Phone Number: 765-458-7471

Status of Audit Finding:

- Corrective action was completed in May, 2018.

Jennifer Blakley
(Signature)

Treasurer
(Title)

4-4-19
(Date)

Christopher Winchell, Superintendent
Jennifer Blakley, Treasurer
Debbie Blevins, Payroll Clerk
Linda Hufferd, Administrative Assistant



Jim Migoski, IT Director
Joe Elleman, Transportation Director
Jeff Cerqua, Maintenance Director

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Jennifer Blakley
Contact Phone Number: 765-458-7471

Views of Responsible Official:

- Based on the SBOA Audit findings we recognize the expectation of the SBOA based on Indiana Code for the establishment and execution of internal controls. We do not believe that any funds have been mishandled, nor do we believe that any procedural efforts have been purposefully neglected. To the extent that it is possible in a small rural school corporation operating with limited staff we acknowledge and accept the expectations noted, and we have provide the following plan of action. In most situations the plan of action has already been implemented in some way shape or form since July 1, 2017. We will continue to work to improve these efforts with the guidance from the SBOA

Description of Corrective Action Plan:

- The Food Service Director will provide a handout to the Board each year regarding the paid lunch equity compliance requirement. The Food Service Director and the Corporation Treasurer will review the paid lunch equity calculations prior to taking the information to the Board. The Board will then review the documentation and will need to approve any pricing increase.

Anticipated Completion Date:

- This corrective action was completed in May, 2018.

Jennifer Blakley
(Signature)

Treasurer
(Title)

4-3-19
(Date)

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/>.