

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

AUDIT REPORT
OF
TWIN LAKES SCHOOL CORPORATION
WHITE COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
02/09/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Margie Reynolds	07-01-08 to 06-30-11
Superintendent of Schools	Dr. Thomas Fletcher	07-01-08 to 06-30-11
President of the School Board	John Roscka Larry Crabb	07-01-08 to 06-30-10 07-01-10 to 06-30-11



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

TO: THE OFFICIALS OF THE TWIN LAKES SCHOOL CORPORATION, WHITE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twin Lakes School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 21, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

STATE BOARD OF ACCOUNTS

December 21, 2010



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

TO: THE OFFICIALS OF THE TWIN LAKES SCHOOL CORPORATION, WHITE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twin Lakes School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

December 21, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Assets
Governmental activities:				
Instruction	\$ 11,252,825	\$ -	\$ 331,968	\$ (10,920,857)
Support services	7,703,544	561,977	642,030	(6,499,537)
Noninstructional services	1,315,178	-	-	(1,315,178)
Facilities acquisition and construction	1,255,754	-	-	(1,255,754)
Debt service	4,640,114	-	-	(4,640,114)
Nonprogrammed charges	1,821,874	-	-	(1,821,874)
Total governmental activities	\$ 27,989,289	\$ 561,977	\$ 973,998	(26,453,314)
General receipts:				
Property taxes				13,576,643
Other local sources				2,425,931
State aid				9,864,391
Bonds and loans				1,000,000
Grants and contributions not restricted to specific programs				2,592,670
Sale of property				14,044
Investment earnings				57,420
Other				97,498
Total general receipts				29,628,597
Change in net assets				3,175,283
Net assets - beginning				3,104,126
Net assets - ending				\$ 6,279,409
<u>Assets</u>				
Cash and investments				\$ 6,175,438
Restricted assets:				
Cash and investments				103,971
Total assets				\$ 6,279,409
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 103,971
Unrestricted				6,175,438
Total net assets				\$ 6,279,409

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 11,389,828	\$ -	\$ 259,617	\$ (11,130,211)
Support services	7,094,289	552,029	716,494	(5,825,766)
Noninstructional services	1,351,421	-	-	(1,351,421)
Facilities acquisition and construction	1,534,899	-	-	(1,534,899)
Debt service	3,762,328	-	-	(3,762,328)
Nonprogrammed charges	1,153,091	-	-	(1,153,091)
Total governmental activities	<u>\$ 26,285,856</u>	<u>\$ 552,029</u>	<u>\$ 976,111</u>	<u>(24,757,716)</u>
General receipts:				
Property taxes				7,607,115
Other local sources				1,767,374
State aid				14,277,068
Grants and contributions not restricted to specific programs				2,015,562
Sale of property				150
Investment earnings				38,874
Other				47,270
Total general receipts				<u>25,753,413</u>
Change in net assets				995,697
Net assets - beginning				<u>6,279,409</u>
Net assets - ending				<u>\$ 7,275,106</u>
<u>Assets</u>				
Cash and investments				\$ 6,778,524
Restricted assets:				
Cash and investments				<u>496,582</u>
Total assets				<u>\$ 7,275,106</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 496,582
Unrestricted				<u>6,778,524</u>
Total net assets				<u>\$ 7,275,106</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 7,719,669	\$ 1,385,029	\$ 3,140,770	\$ 2,263,414	\$ 2,112,395	\$ 16,621,277
Intermediate sources	694	-	-	-	-	694
State sources	10,162,780	-	-	-	343,641	10,506,421
Federal sources	-	-	-	-	2,924,638	2,924,638
Temporary loans	1,000,000	-	-	-	-	1,000,000
Interfund loans	-	-	-	-	109,800	109,800
Other	35,209	50	-	21,018	41,221	97,498
Total receipts	18,918,352	1,385,079	3,140,770	2,284,432	5,531,695	31,260,328
Disbursements:						
Current:						
Instruction	10,031,905	-	-	-	1,220,920	11,252,825
Support services	4,758,934	1,128,409	-	528,915	1,287,286	7,703,544
Noninstructional services	264,821	-	-	-	1,050,357	1,315,178
Facilities acquisition and construction	-	-	-	1,240,678	15,076	1,255,754
Debt services	1,000,000	-	2,987,382	-	652,732	4,640,114
Nonprogrammed charges	1,146,958	-	-	-	674,916	1,821,874
Interfund loans	-	-	49,417	-	60,383	109,800
Total disbursements	17,202,618	1,128,409	3,036,799	1,769,593	4,961,670	28,099,089
Excess of receipts over disbursements	1,715,734	256,670	103,971	514,839	570,025	3,161,239
Other financing sources (uses):						
Sale of capital assets	-	-	-	89	13,955	14,044
Transfers in	1	-	-	-	32,038	32,039
Transfers out	-	-	-	(2,184)	(29,855)	(32,039)
Total other financing sources (uses)	1	-	-	(2,095)	16,138	14,044
Excess of receipts and other financing sources over disbursements and other financing uses	1,715,735	256,670	103,971	512,744	586,163	3,175,283
Cash and investments - beginning	590,915	457,140	-	436,538	1,619,533	3,104,126
Cash and investments - ending	\$ 2,306,650	\$ 713,810	\$ 103,971	\$ 949,282	\$ 2,205,696	\$ 6,279,409
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,306,650	\$ 713,810	\$ -	\$ 949,282	\$ 2,205,696	\$ 6,175,438
Restricted assets:						
Cash and investments	-	-	103,971	-	-	103,971
Total cash and investment assets - ending	\$ 2,306,650	\$ 713,810	\$ 103,971	\$ 949,282	\$ 2,205,696	\$ 6,279,409
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 103,971	\$ -	\$ -	\$ 103,971
Unrestricted	2,306,650	713,810	-	949,282	2,205,696	6,175,438
Total cash and investment fund balance - ending	\$ 2,306,650	\$ 713,810	\$ 103,971	\$ 949,282	\$ 2,205,696	\$ 6,279,409

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

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

	General	Transportation Operating	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 263,126	\$ 1,516,387	\$ 3,511,077	\$ 2,836,031	\$ 1,835,424	\$ 9,962,045
Intermediate sources	3,344	-	-	-	-	3,344
State sources	14,508,188	-	-	-	351,649	14,859,837
Federal sources	-	-	-	-	2,408,907	2,408,907
Interfund loans	-	-	898,000	-	848,823	1,746,823
Other	46,437	-	-	-	833	47,270
Total receipts	<u>14,821,095</u>	<u>1,516,387</u>	<u>4,409,077</u>	<u>2,836,031</u>	<u>5,445,636</u>	<u>29,028,226</u>
Disbursements:						
Current:						
Instruction	10,110,464	-	-	-	1,279,364	11,389,828
Support services	4,238,034	1,122,074	-	667,205	1,066,976	7,094,289
Noninstructional services	250,448	-	-	-	1,100,973	1,351,421
Facilities acquisition and construction	-	-	-	1,423,117	111,782	1,534,899
Debt services	-	-	3,106,750	-	655,578	3,762,328
Nonprogrammed charges	215,677	-	-	-	937,414	1,153,091
Interfund loans	-	-	898,000	-	848,823	1,746,823
Total disbursements	<u>14,814,623</u>	<u>1,122,074</u>	<u>4,004,750</u>	<u>2,090,322</u>	<u>6,000,910</u>	<u>28,032,679</u>
Excess (deficiency) of receipts over disbursements	<u>6,472</u>	<u>394,313</u>	<u>404,327</u>	<u>745,709</u>	<u>(555,274)</u>	<u>995,547</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	45	105	150
Transfers in	79,077	-	-	-	181,216	260,293
Transfers out	-	(70,000)	(12,479)	(1,786)	(176,028)	(260,293)
Total other financing sources (uses)	<u>79,077</u>	<u>(70,000)</u>	<u>(12,479)</u>	<u>(1,741)</u>	<u>5,293</u>	<u>150</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>85,549</u>	<u>324,313</u>	<u>391,848</u>	<u>743,968</u>	<u>(549,981)</u>	<u>995,697</u>
Cash and investments - beginning	<u>2,306,650</u>	<u>713,810</u>	<u>103,971</u>	<u>949,282</u>	<u>2,205,696</u>	<u>6,279,409</u>
Cash and investments - ending	<u>\$ 2,392,199</u>	<u>\$ 1,038,123</u>	<u>\$ 495,819</u>	<u>\$ 1,693,250</u>	<u>\$ 1,655,715</u>	<u>\$ 7,275,106</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,392,199	\$ 1,038,123	\$ -	\$ 1,693,250	\$ 1,654,952	\$ 6,778,524
Restricted assets:						
Cash and investments	-	-	495,819	-	763	496,582
Total cash and investment assets - ending	<u>\$ 2,392,199</u>	<u>\$ 1,038,123</u>	<u>\$ 495,819</u>	<u>\$ 1,693,250</u>	<u>\$ 1,655,715</u>	<u>\$ 7,275,106</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 495,819	\$ -	\$ 763	\$ 496,582
Unrestricted	2,392,199	1,038,123	-	1,693,250	1,654,952	6,778,524
Total cash and investment fund balance - ending	<u>\$ 2,392,199</u>	<u>\$ 1,038,123</u>	<u>\$ 495,819</u>	<u>\$ 1,693,250</u>	<u>\$ 1,655,715</u>	<u>\$ 7,275,106</u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 39,149	
Investment earnings:			
Interest	11,429	-	
Total additions	<u>11,429</u>	<u>39,149</u>	
Deductions:			
Benefits	35,895	-	
Administrative and general	-	36,228	
Total deductions	<u>35,895</u>	<u>36,228</u>	
Excess (deficiency) of total additions over total deductions	(24,466)	2,921	
Cash and investment fund balance - beginning	<u>1,113,408</u>	<u>25,705</u>	
Cash and investment fund balance - ending	<u>\$ 1,088,942</u>	<u>\$ 28,626</u>	<u>\$ 53,479</u>
Net assets:			
Cash and investments	<u>\$ 1,088,942</u>	<u>\$ 28,626</u>	<u>\$ 53,479</u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 16,734	
Investment earnings:			
Interest	6,623	-	
Total additions	<u>6,623</u>	<u>16,734</u>	
Deductions:			
Benefits	42,898	-	
Administrative and general	-	13,328	
Total deductions	<u>42,898</u>	<u>13,328</u>	
Excess (deficiency) of total additions over total deductions	(36,275)	3,406	
Cash and investment fund balance - beginning	<u>1,088,942</u>	<u>28,626</u>	
Cash and investment fund balance - ending	<u>\$ 1,052,667</u>	<u>\$ 32,032</u>	<u>\$ 51,997</u>
Net assets:			
Cash and investments	<u>\$ 1,052,667</u>	<u>\$ 32,032</u>	<u>\$ 51,997</u>

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Twin Lakes School Corporation

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

Joint Venture

The School Corporation is a participant with several other school corporations in a joint venture to operate the Logansport Area Joint Special Services Cooperative (LAJSSC) which was created to provide education to handicapped students. The School Corporation is obligated by contract to remit its proportionate share annually to supplement LAJSSC's budget. LAJSSC pays its surplus to the participants. LAJSSC's continued existence depends on continued funding by the member school corporations. Complete financial statements for LAJSSC can be obtained from 1501 Meadowlawn Avenue, Logansport, IN 46947.

The School Corporation is a participant with several other school corporations in a joint venture to operate the Indian Trails Career Center Cooperative which was created to engage in the joint employment of personnel and joint purchases of supplies, equipment, and facilities to provide programs and services for vocational education. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Cooperative can be obtained from the local educational agency (Twin Lakes School Corporation) at 565 South Main Street, Monticello, IN 47960.

The School Corporation is a participant with several other school corporations in a joint venture to operate the Wabash Valley Education Center (Center) which was created to operate and maintain an educational service for curriculum development, purchasing and financial management. The Center's continued existence depends on continued funding by the member school corporations. Complete financial statements for the Center can be obtained from their administrative office at 3081 Benton Street, Lafayette, IN 47906-1129.

Related Organizations

The School Corporation's officials are also responsible for appointing the voting majority of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints one board member on the Monticello-Union Township Library and the Delphi Public Library.

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

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

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

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

Agency funds account for assets held by the School Corporation as an agent for the school corporation employees.

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

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

4. Capital Assets

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

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

TWIN LAKES SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Government-Wide Financial Statements

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

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

G. Rounding Differences

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash Balance Deficits

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

Fund	2009	2010
Perkins Grants FY 2010	\$ -	\$ 12,277
Improving Teacher Quality Title II Part A	-	2,736

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
Debt Service Fund	Other Governmental Funds	\$ -	\$ 12,479
Capital Projects Fund	Other Governmental Funds	2,184	1,786
Transportation Operating Fund	Other Governmental Funds	-	70,000
Other Governmental Funds	General Fund	1	79,077
Other Governmental Funds	Other Governmental Funds	29,854	96,951
Totals		<u>\$ 32,039</u>	<u>\$ 260,293</u>

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

At June 30, 2010, the School Corporation had a \$95,000 outstanding interfund loan from Rainy Day to Retirement-Severance Bond DS.

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and dependents; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Midwest Area School Employees' Insurance Trust

During 1998 the School Corporation joined with other governmental entities to form the Midwest Area School Employees' Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 17 member governmental entities. This risk pool was formed in 1986. The purpose of the risk pool is to provide a medium for the funding and administration of group insurance plans for the benefit of the members' employees. Employees of the School Corporation pay an annual premium to the risk pool for medical coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$250,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$250,000 to \$5,000,000 limit.

B. Holding Corporations

The School Corporation has entered into a capital lease with the Twin Lakes Building Improvement 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 two years ending June 30, 2010, totaled \$6,084,000.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health care benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining the age 53 with at least 15 years of service. Currently, 12 retirees meet the eligibility requirements. The School Corporation contributes a flat rate per retiree of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the two years ended June 30, 2010, disbursements of \$42,495 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

Public Employees' Retirement Fund

Plan Description

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

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$343,748.

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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

The School Corporation's contributions to the plan during the period were \$782,337.

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

	Special Ed Preschool	Rainy Day	Cafeteria	Bookrental	Area 10 Vocational Ed Cooperative	White County Schools Consolidation Study
Receipts:						
Local sources	\$ 19,414	\$ -	\$ 511,508	\$ 151,244	\$ 237,579	\$ -
State sources	64,268	-	14,064	95,580	-	-
Federal sources	-	-	532,386	-	-	-
Interfund loans	-	108,977	-	-	-	-
Other	-	-	560	384	-	-
Total receipts	<u>83,682</u>	<u>108,977</u>	<u>1,058,518</u>	<u>247,208</u>	<u>237,579</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	190,707	-
Support services	-	-	532	278,300	35,648	-
Noninstructional services	-	-	1,036,882	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	76,980	-	-	-	5,175	13,348
Interfund loans	-	823	-	-	-	-
Total disbursements	<u>76,980</u>	<u>823</u>	<u>1,037,414</u>	<u>278,300</u>	<u>231,530</u>	<u>13,348</u>
Excess (deficiency) of receipts over disbursements	<u>6,702</u>	<u>108,154</u>	<u>21,104</u>	<u>(31,092)</u>	<u>6,049</u>	<u>(13,348)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	2,194	-	-
Transfers in	-	-	-	-	11,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,194</u>	<u>11,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,702</u>	<u>108,154</u>	<u>21,104</u>	<u>(28,898)</u>	<u>17,049</u>	<u>(13,348)</u>
Cash and investments - beginning	<u>69,020</u>	<u>391,023</u>	<u>31,513</u>	<u>166,484</u>	<u>362,639</u>	<u>13,348</u>
Cash and investments - ending	<u>\$ 75,722</u>	<u>\$ 499,177</u>	<u>\$ 52,617</u>	<u>\$ 137,586</u>	<u>\$ 379,688</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 75,722</u>	<u>\$ 499,177</u>	<u>\$ 52,617</u>	<u>\$ 137,586</u>	<u>\$ 379,688</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 75,722</u>	<u>\$ 499,177</u>	<u>\$ 52,617</u>	<u>\$ 137,586</u>	<u>\$ 379,688</u>	<u>\$ -</u>

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

	Alternative Education Life Academy	Early Intervention	Gifted/Talented High Ability	Geri Stone Scholarship	Non-English Speaking	Excess Cagit Distribution
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 804	\$ -	\$ 7,089
State sources	6,552	92,879	36,719	-	33,579	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	301
Total receipts	6,552	92,879	36,719	804	33,579	7,390
Disbursements:						
Current:						
Instruction	136	72,944	35,639	746	29,350	-
Support services	-	12,160	-	232	4,004	142
Noninstructional services	-	9,430	-	-	245	-
Facilities acquisition and construction	-	-	-	-	-	15,076
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	136	94,534	35,639	978	33,599	15,218
Excess (deficiency) of receipts over disbursements	6,416	(1,655)	1,080	(174)	(20)	(7,828)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	2,184	-	-	-	-	-
Transfers out	-	-	-	(1)	-	-
Total other financing sources (uses)	2,184	-	-	(1)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,600	(1,655)	1,080	(175)	(20)	(7,828)
Cash and investments - beginning	-	11,185	10,746	175	13,675	41,936
Cash and investments - ending	<u>\$ 8,600</u>	<u>\$ 9,530</u>	<u>\$ 11,826</u>	<u>\$ -</u>	<u>\$ 13,655</u>	<u>\$ 34,108</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 8,600</u>	<u>\$ 9,530</u>	<u>\$ 11,826</u>	<u>\$ -</u>	<u>\$ 13,655</u>	<u>\$ 34,108</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 8,600</u>	<u>\$ 9,530</u>	<u>\$ 11,826</u>	<u>\$ -</u>	<u>\$ 13,655</u>	<u>\$ 34,108</u>

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

	Title I	Title V Part A	Drug Free Schools Title IV	Perkins Grants FY 2010	Vocational & Technology Board Grants
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	297,516	1,095	7,554	198,443	14,109
Interfund loans	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	<u>297,516</u>	<u>1,095</u>	<u>7,554</u>	<u>198,443</u>	<u>14,109</u>
Disbursements:					
Current:					
Instruction	241,658	20,344	-	66,645	-
Support services	35,607	4,067	7,360	155,467	9,289
Noninstructional services	1,069	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Interfund loans	-	-	-	-	-
Total disbursements	<u>278,334</u>	<u>24,411</u>	<u>7,360</u>	<u>222,112</u>	<u>9,289</u>
Excess (deficiency) of receipts over disbursements	<u>19,182</u>	<u>(23,316)</u>	<u>194</u>	<u>(23,669)</u>	<u>4,820</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers in	18,006	1,948	(1,100)	-	-
Transfers out	(18,006)	-	-	(8,500)	(2,500)
Total other financing sources (uses)	<u>-</u>	<u>1,948</u>	<u>(1,100)</u>	<u>(8,500)</u>	<u>(2,500)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,182	(21,368)	(906)	(32,169)	2,320
Cash and investments - beginning	<u>34,123</u>	<u>26,848</u>	<u>4,320</u>	<u>68,215</u>	<u>(2,320)</u>
Cash and investments - ending	<u>\$ 53,305</u>	<u>\$ 5,480</u>	<u>\$ 3,414</u>	<u>\$ 36,046</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 53,305</u>	<u>\$ 5,480</u>	<u>\$ 3,414</u>	<u>\$ 36,046</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 53,305</u>	<u>\$ 5,480</u>	<u>\$ 3,414</u>	<u>\$ 36,046</u>	<u>\$ -</u>

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

	Moving Forward II	Improving Teacher Quality Title II Part A	Title III FY 09/10	Reading First NCLB	Fiscal Stabilization
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	65,555	112,765	30,450	385,296	1,252,410
Interfund loans	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	<u>65,555</u>	<u>112,765</u>	<u>30,450</u>	<u>385,296</u>	<u>1,252,410</u>
Disbursements:					
Current:					
Instruction	52,526	109,627	31,536	349,567	19,200
Support services	11,529	2,687	-	45,186	119,709
Noninstructional services	-	-	-	2,731	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	579,413
Interfund loans	-	-	-	-	-
Total disbursements	<u>64,055</u>	<u>112,314</u>	<u>31,536</u>	<u>397,484</u>	<u>718,322</u>
Excess (deficiency) of receipts over disbursements	<u>1,500</u>	<u>451</u>	<u>(1,086)</u>	<u>(12,188)</u>	<u>534,088</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(848)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(848)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,500	(397)	(1,086)	(12,188)	534,088
Cash and investments - beginning	(1,500)	1,511	3,274	27,510	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,114</u>	<u>\$ 2,188</u>	<u>\$ 15,322</u>	<u>\$ 534,088</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ -</u>	<u>\$ 1,114</u>	<u>\$ 2,188</u>	<u>\$ 15,322</u>	<u>\$ 534,088</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ -</u>	<u>\$ 1,114</u>	<u>\$ 2,188</u>	<u>\$ 15,322</u>	<u>\$ 534,088</u>

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

	Title I Grants Stimulus	Retirement/ Severance Bond DS	Transportation School Bus Replacement	Construction	Totals
Receipts:					
Local sources	\$ -	\$ 711,469	\$ 473,288	\$ -	\$ 2,112,395
State sources	-	-	-	-	343,641
Federal sources	27,059	-	-	-	2,924,638
Interfund loans	-	823	-	-	109,800
Other	-	-	39,976	-	41,221
Total receipts	27,059	712,292	513,264	-	5,531,695
Disbursements:					
Current:					
Instruction	295	-	-	-	1,220,920
Support services	-	-	565,367	-	1,287,286
Noninstructional services	-	-	-	-	1,050,357
Facilities acquisition and construction	-	-	-	-	15,076
Debt services	-	652,732	-	-	652,732
Nonprogrammed charges	-	-	-	-	674,916
Interfund loans	-	59,560	-	-	60,383
Total disbursements	295	712,292	565,367	-	4,961,670
Excess (deficiency) of receipts over disbursements	26,764	-	(52,103)	-	570,025
Other financing sources (uses):					
Sale of capital assets	-	-	-	11,761	13,955
Transfers in	-	-	-	-	32,038
Transfers out	-	-	-	-	(29,855)
Total other financing sources (uses)	-	-	-	11,761	16,138
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,764	-	(52,103)	11,761	586,163
Cash and investments - beginning	-	-	345,808	-	1,619,533
Cash and investments - ending	<u>\$ 26,764</u>	<u>\$ -</u>	<u>\$ 293,705</u>	<u>\$ 11,761</u>	<u>\$ 2,205,696</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 26,764</u>	<u>\$ -</u>	<u>\$ 293,705</u>	<u>\$ 11,761</u>	<u>\$ 2,205,696</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 26,764</u>	<u>\$ -</u>	<u>\$ 293,705</u>	<u>\$ 11,761</u>	<u>\$ 2,205,696</u>

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

	Special Ed Preschool	Rainy Day	Cafeteria	Bookrental	Levy Excess	Area 10 Vocational Ed Cooperative	White County Schools Consolidation Study
Receipts:							
Local sources	\$ -	\$ -	\$ 505,425	\$ 147,363	\$ -	\$ 238,900	\$ -
State sources	45,374	-	13,883	97,814	35,807	-	-
Federal sources	-	-	597,246	-	-	-	-
Interfund loans	-	500,823	-	-	-	-	-
Other	-	-	532	257	-	-	-
Total receipts	45,374	500,823	1,117,086	245,434	35,807	238,900	-
Disbursements:							
Current:							
Instruction	-	20,000	-	-	-	207,673	-
Support services	-	-	1,080	278,233	-	19,132	-
Noninstructional services	-	-	1,095,383	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	42,019	-	-	-	-	6,863	-
Interfund loans	-	595,000	-	-	-	-	-
Total disbursements	42,019	615,000	1,096,463	278,233	-	233,668	-
Excess (deficiency) of receipts over disbursements	3,355	(114,177)	20,623	(32,799)	35,807	5,232	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	(65)	-	-	-
Transfers in	-	100,000	-	12,479	-	8,500	-
Transfers out	(79,077)	-	-	-	-	-	-
Total other financing sources (uses)	(79,077)	100,000	-	12,414	-	8,500	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(75,722)	(14,177)	20,623	(20,385)	35,807	13,732	-
Cash and investments - beginning	75,722	499,177	52,617	137,586	-	379,688	-
Cash and investments - ending	\$ -	\$ 485,000	\$ 73,240	\$ 117,201	\$ 35,807	\$ 393,420	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 485,000	\$ 73,240	\$ 117,201	\$ 35,807	\$ 393,420	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 485,000	\$ 73,240	\$ 117,201	\$ 35,807	\$ 393,420	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	485,000	73,240	117,201	35,807	393,420	-
Total cash and investment fund balance - ending	\$ -	\$ 485,000	\$ 73,240	\$ 117,201	\$ 35,807	\$ 393,420	\$ -

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

	Alternative Education Life Academy	Early Intervention	Gifted/Talented High Ability	Medicaid Reimbursement	Geri Stone Scholarship	Non-English Speaking
Receipts:						
Local sources	\$ -	\$ -	\$ 89	\$ -	\$ 600	\$ -
State sources	5,356	81,084	36,281	7,537	-	28,513
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	5,356	81,084	36,370	7,537	600	28,513
Disbursements:						
Current:						
Instruction	13,685	71,066	35,673	-	474	27,023
Support services	-	9,442	-	-	-	1,890
Noninstructional services	-	3,057	-	-	-	1,526
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	13,685	83,565	35,673	-	474	30,439
Excess (deficiency) of receipts over disbursements	(8,329)	(2,481)	697	7,537	126	(1,926)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	1,786	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,786	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,543)	(2,481)	697	7,537	126	(1,926)
Cash and investments - beginning	8,600	9,530	11,826	-	-	13,655
Cash and investments - ending	<u>2,057</u>	<u>7,049</u>	<u>12,523</u>	<u>7,537</u>	<u>126</u>	<u>11,729</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,057	\$ 7,049	\$ 12,523	\$ 7,537	\$ 126	\$ 11,729
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,057</u>	<u>\$ 7,049</u>	<u>\$ 12,523</u>	<u>\$ 7,537</u>	<u>\$ 126</u>	<u>\$ 11,729</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,057</u>	<u>7,049</u>	<u>12,523</u>	<u>7,537</u>	<u>126</u>	<u>11,729</u>
Total cash and investment fund balance - ending	<u>\$ 2,057</u>	<u>\$ 7,049</u>	<u>\$ 12,523</u>	<u>\$ 7,537</u>	<u>\$ 126</u>	<u>\$ 11,729</u>

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

	School Technology	Excess Cagit Distribution	Title I	Title V Part A	Drug Free Schools Title IV	Perkins Grants FY 2010
Receipts:						
Local sources	\$ 7,033	\$ 51,091	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	305,688	1,597	5,866	210,930
Interfund loans	-	-	-	-	-	-
Other	44	-	-	-	-	-
Total receipts	7,077	51,091	305,688	1,597	5,866	210,930
Disbursements:						
Current:						
Instruction	-	-	266,419	7,077	-	160,006
Support services	-	4,569	60,737	-	7,378	75,747
Noninstructional services	-	-	770	-	-	-
Facilities acquisition and construction	7,432	-	-	-	-	15,000
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	7,432	4,569	327,926	7,077	7,378	250,753
Excess (deficiency) of receipts over disbursements	(355)	46,522	(22,238)	(5,480)	(1,512)	(39,823)
Other financing sources (uses):						
Sale of capital assets	170	-	-	-	-	-
Transfers in	30,327	-	28,124	-	-	-
Transfers out	-	(30,327)	(28,124)	-	-	(8,500)
Total other financing sources (uses)	30,497	(30,327)	-	-	-	(8,500)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,142	16,195	(22,238)	(5,480)	(1,512)	(48,323)
Cash and investments - beginning	-	34,108	53,305	5,480	3,414	36,046
Cash and investments - ending	<u>\$ 30,142</u>	<u>\$ 50,303</u>	<u>\$ 31,067</u>	<u>\$ -</u>	<u>\$ 1,902</u>	<u>\$ (12,277)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 30,142	\$ 50,303	\$ 31,067	\$ -	\$ 1,902	\$ (12,277)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 30,142</u>	<u>\$ 50,303</u>	<u>\$ 31,067</u>	<u>\$ -</u>	<u>\$ 1,902</u>	<u>\$ (12,277)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	30,142	50,303	31,067	-	1,902	(12,277)
Total cash and investment fund balance - ending	<u>\$ 30,142</u>	<u>\$ 50,303</u>	<u>\$ 31,067</u>	<u>\$ -</u>	<u>\$ 1,902</u>	<u>\$ (12,277)</u>

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

	Improving Teacher Quality Title II Part A	Title III FY 09/10	Reading First NCLB	Fiscal Stabilization	Title I Grants Stimulus	Special Ed Part B Stimulus
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	109,065	26,100	252,465	520,621	67,625	296,424
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	109,065	26,100	252,465	520,621	67,625	296,424
Disbursements:						
Current:						
Instruction	106,197	27,367	256,560	11,910	48,073	20,161
Support services	6,718	-	7,883	353,866	6,277	2,594
Noninstructional services	-	-	237	-	-	-
Facilities acquisition and construction	-	-	-	-	-	85,050
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	688,933	-	188,619
Interfund loans	-	-	-	-	-	-
Total disbursements	112,915	27,367	264,680	1,054,709	54,350	296,424
Excess (deficiency) of receipts over disbursements	(3,850)	(1,267)	(12,215)	(534,088)	13,275	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,850)	(1,267)	(12,215)	(534,088)	13,275	-
Cash and investments - beginning	1,114	2,188	15,322	534,088	26,764	-
Cash and investments - ending	<u>(2,736)</u>	<u>921</u>	<u>3,107</u>	<u>-</u>	<u>40,039</u>	<u>-</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (2,736)	\$ 921	\$ 3,107	\$ -	\$ 40,039	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (2,736)</u>	<u>\$ 921</u>	<u>\$ 3,107</u>	<u>\$ -</u>	<u>\$ 40,039</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(2,736)</u>	<u>921</u>	<u>3,107</u>	<u>-</u>	<u>40,039</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ (2,736)</u>	<u>\$ 921</u>	<u>\$ 3,107</u>	<u>\$ -</u>	<u>\$ 40,039</u>	<u>\$ -</u>

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

	Special Ed Preschool Part B Stimulus	Special Lunch Equipment Stimulus	Retirement/ Severance Bond DS	Transportation School Bus Replacement	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 562,164	\$ 322,759	\$ -	\$ 1,835,424
State sources	-	-	-	-	-	351,649
Federal sources	10,980	4,300	-	-	-	2,408,907
Interfund loans	-	-	348,000	-	-	848,823
Other	-	-	-	-	-	833
Total receipts	10,980	4,300	910,164	322,759	-	5,445,636
Disbursements:						
Current:						
Instruction	-	-	-	-	-	1,279,364
Support services	-	-	-	231,430	-	1,066,976
Noninstructional services	-	-	-	-	-	1,100,973
Facilities acquisition and construction	-	4,300	-	-	-	111,782
Debt services	-	-	655,578	-	-	655,578
Nonprogrammed charges	10,980	-	-	-	-	937,414
Interfund loans	-	-	253,823	-	-	848,823
Total disbursements	10,980	4,300	909,401	231,430	-	6,000,910
Excess (deficiency) of receipts over disbursements	-	-	763	91,329	-	(555,274)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	105
Transfers in	-	-	-	-	-	181,216
Transfers out	-	-	-	(30,000)	-	(176,028)
Total other financing sources (uses)	-	-	-	(30,000)	-	5,293
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	763	61,329	-	(549,981)
Cash and investments - beginning	-	-	-	293,705	11,761	2,205,696
Cash and investments - ending	\$ -	\$ -	\$ 763	\$ 355,034	\$ 11,761	\$ 1,655,715
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ 355,034	\$ 11,761	\$ 1,654,952
Restricted assets:						
Cash and investments	-	-	763	-	-	763
Total cash and investment assets - ending	\$ -	\$ -	\$ 763	\$ 355,034	\$ 11,761	\$ 1,655,715
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 763	\$ -	\$ -	\$ 763
Unrestricted	-	-	-	355,034	11,761	1,654,952
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 763	\$ 355,034	\$ 11,761	\$ 1,655,715

TWIN LAKES SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Retirement/ Severance Bond</u>	<u>Post-Retirement/ Severance Future Benefit</u>	<u>Totals</u>
Additions:			
Investment earnings:			
Interest	\$ 11,429	\$ -	\$ 11,429
Deductions:			
Benefits	<u>13,724</u>	<u>22,171</u>	<u>35,895</u>
Deficiency of total additions over total deductions	(2,295)	(22,171)	(24,466)
Cash and investment fund balance - beginning	<u>1,017,517</u>	<u>95,891</u>	<u>1,113,408</u>
Cash and investment fund balance - ending	<u>\$ 1,015,222</u>	<u>\$ 73,720</u>	<u>\$ 1,088,942</u>
Net assets:			
Cash and investments	<u>\$ 1,015,222</u>	<u>\$ 73,720</u>	<u>\$ 1,088,942</u>

TWIN LAKES SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2010

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Investment earnings:			
Interest	\$ 6,623	\$ -	\$ 6,623
Deductions:			
Benefits	<u>22,574</u>	<u>20,324</u>	<u>42,898</u>
Deficiency of total additions over total deductions	(15,951)	(20,324)	(36,275)
Cash and investment fund balance - beginning	<u>1,015,222</u>	<u>73,720</u>	<u>1,088,942</u>
Cash and investment fund balance - ending	<u>\$ 999,271</u>	<u>\$ 53,396</u>	<u>\$ 1,052,667</u>
Net assets:			
Cash and investments	<u>\$ 999,271</u>	<u>\$ 53,396</u>	<u>\$ 1,052,667</u>

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

	<u>Auto Service & Donation</u>	<u>WL Outdoor Education Center</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ 248	\$ 38,901	\$ 39,149
Deductions:			
Administrative and general	490	35,738	36,228
Excess (deficiency) of total additions over total deductions	(242)	3,163	2,921
Cash and investment fund balance - beginning	2,096	23,609	25,705
Cash and investments - June 30	<u>\$ 1,854</u>	<u>\$ 26,772</u>	<u>\$ 28,626</u>
Net assets:			
Cash and investments	<u>\$ 1,854</u>	<u>\$ 26,772</u>	<u>\$ 28,626</u>

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

	<u>Auto Service & Donation</u>	<u>WL Outdoor Education Center</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ 144	\$ 16,590	\$ 16,734
Deductions:			
Administrative and general	144	13,184	13,328
Excess of total additions over total deductions	-	3,406	3,406
Cash and investment fund balance - beginning	1,854	26,772	28,626
Cash and investments - June 30	<u>\$ 1,854</u>	<u>\$ 30,178</u>	<u>\$ 32,032</u>
Net assets:			
Cash and investments	<u>\$ 1,854</u>	<u>\$ 30,178</u>	<u>\$ 32,032</u>

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,529,192
Buildings	64,771,300
Improvements other than buildings	5,969,520
Machinery and equipment	<u>3,317,678</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 77,587,690</u>

TWIN LAKES SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Buildings	\$ 5,278,491	\$ 3,090,133
Bonds payable:		
General obligation bonds:		
2002 General obligation pension bonds	2,410,000	409,758
2006 General obligation pension bonds	<u>1,415,000</u>	<u>237,022</u>
Total governmental activities debt	<u>\$ 9,103,491</u>	<u>\$ 3,736,913</u>

TWIN LAKES SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

SEGREGATION OF DUTIES-INTERNAL CONTROLS OVER
FINANCIAL TRANSACTIONS AND REPORTING

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

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

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE TWIN LAKES SCHOOL CORPORATION, WHITE COUNTY, INDIANA

Compliance

We have audited the compliance of the Twin Lakes School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-2, 2010-3, 2010-4, 2010-5, 2010-6, and 2010-7.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2010-2, 2010-3, 2010-4, 2010-5, 2010-6, and 2010-7 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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

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

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

STATE BOARD OF ACCOUNTS

December 21, 2010

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 87,159	\$ 88,686
National School Lunch Program	10.555		544,000	562,700
Total for cluster			<u>631,159</u>	<u>651,386</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579		-	4,300
Total for federal grantor agency			<u>631,159</u>	<u>655,686</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through Purdue University				
H-1 B Job Training Grants	17.268		-	15,000
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies	84.010			
		FY 8565-08	38,116	-
		FY 8565-09	240,217	53,181
		FY 8565-10	-	274,745
Total for program			<u>278,333</u>	<u>327,926</u>
ARRA - Title 1 Grants to Local Educational Agencies - Recovery Act	84.389			
		SY 2009-2010 ARRA	295	54,349
Total for cluster			<u>278,628</u>	<u>382,275</u>
Pass-Through Logansport Community School Corporation				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	FY 8565-10	-	296,423
ARRA - Special Education - Preschool Grant (IDEA, Part B), Recovery Act	84.392	FY 8565-10	-	10,980
Total for cluster			<u>-</u>	<u>307,403</u>
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States	84.048			
Moving Forward Grant		C1-8CPS-6-96	9,289	-
Moving Forward Grant		C1-8CPS-7-96	64,055	-
Bio-Medical Services Grant		C1-10-SPL-BIO-9-96	-	17,678
Total for program			<u>73,344</u>	<u>17,678</u>

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States	84.048			
Carl D. Perkins Career - Technical and Applied Technology Grant				
		FY 8565-08	106,823	-
		FY 8565-09	115,289	75,587
		FY 8565-10	-	142,488
			<u>222,112</u>	<u>218,075</u>
Total for program				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		FY 8565-07	1,020	-
		FY 8565-08	6,340	3,414
		FY 8565-09	-	3,964
			<u>7,360</u>	<u>7,378</u>
Total for program				
State Grants for Innovative Programs	84.298			
		FY 8565-07	2,348	-
		FY 8565-08	22,063	7,077
			<u>24,411</u>	<u>7,077</u>
Total for program				
Reading First State Grants	84.357			
		FY 8565-08	171,046	-
		FY 8565-09	226,438	125,566
		FY 8565-10	-	139,114
			<u>397,484</u>	<u>264,680</u>
Total for program				
English Language Acquisition Grants	84.365			
		FY 8565-08	3,274	-
		FY 8565-09	28,262	2,188
		FY 8565-10	-	25,180
			<u>31,536</u>	<u>27,368</u>
Total for program				
Improving Teacher Quality State Grants	84.367			
		FY 8565-07	17,474	-
		FY 8565-08	5,740	14,364
		FY 8565-09	89,100	8,815
		FY 8565-10	-	89,735
			<u>112,314</u>	<u>112,914</u>
Total for program				
State Fiscal Stabilization Cluster				
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394		718,321	1,054,708
Total for federal grantor agency			<u>1,865,510</u>	<u>2,399,556</u>
Total federal awards expended			<u>\$ 2,496,669</u>	<u>\$ 3,070,242</u>

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Twin Lakes School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	\$ 11,277	\$ 10,704
National School Lunch Program	10.555	70,165	67,802

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Title I, Part A Cluster
	Special Education Cluster (IDEA)
84.048	Career and Technical Education - Basic Grants to States
84.357	Reading First State Grants
	State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2, INTERNAL CONTROLS

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

Federal funds received as a part of the Child Nutrition Cluster are used to subsidize the cost of the school lunch program of the School Corporation. Financial accounting records for the lunch program are maintained in the School Corporation Business Office. The School Corporation Business Office has not separated incompatible activities related to the area of cash and investment balances that make up the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

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

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

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

FINDING 2010-3, INTERNAL CONTROLS

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

The financial records for federal funds received as a part of the Title 1, Part A Cluster program are maintained in the School Corporation Business Office. The School Corporation Business Office has not separated incompatible activities related to the area of cash and investment balances that make up the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

FINDING 2010-4, INTERNAL CONTROLS

Federal Agency: U.S. Department of Education
Pass-through: Indiana Department of Education
Federal Program: Career and Technical Education – Basic Grants to States
CFDA Number: 84.048

The financial records for federal funds received as a part of the Career and Technical Education program are maintained in the School Corporation Business Office. The School Corporation Business Office has not separated incompatible activities related to the area of cash and investment balances that make up the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

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

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

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

FINDING 2010-5, INTERNAL CONTROLS

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

The financial records for federal funds received as a part of the Reading First State Grants program are maintained in the School Corporation Business Office. The School Corporation Business Office has not separated incompatible activities related to the area of cash and investment balances that make up the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

FINDING 2010-6, INTERNAL CONTROLS

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

The financial records for federal funds received as a part of the State Fiscal Stabilization program are maintained in the School Corporation Business Office. The School Corporation Business Office has not separated incompatible activities related to the area of cash and investment balances that make up the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

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

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

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

FINDING 2010-7, INTERNAL CONTROLS

Federal Agency: U.S. Department of Education
Pass-through: Indiana Department of Education
Federal Program: Special Education Cluster (IDEA)
CFDA Number: 84.391

The financial records for federal funds received as a part of the Special Education Cluster (IDEA) program are maintained in the School Corporation Business Office. The School Corporation Business Office has not separated incompatible activities related to the area of cash and investment balances that make up the financial statements. The failure to establish these controls could enable material misstatements to go undetected.

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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



Twin Lakes School Corporation

565 South Main Street

Monticello, Indiana 47960

Phone: (574)583-7211

Fax: (574)583-8963

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2008-1

Original SBA Audit Report Number: B34121

Fiscal Year: 07/01/06 – 06/30/08

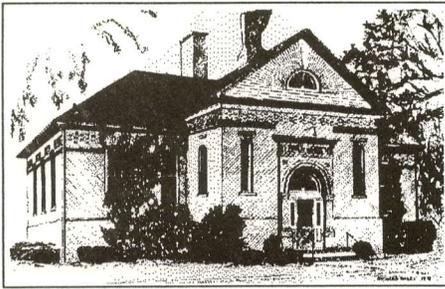
Auditee Contact Person: Margie L. Reynolds

Title of Contact Person: Treasurer

Phone Number: 574-583-7211

Status of Finding:

Timely and accurate reports are now filed in a timely manner. The Treasurer contacts the Food Services Director verbally and monitors the Food and Nutrition website for claim and reporting information.



TWIN LAKES SCHOOL CORPORATION

565 SOUTH MAIN STREET

MONTICELLO, INDIANA 47960

PHONE: (574) 583-7211

FAX: (574) 583-8963

Corrective Action Plan
November 29, 2010

Finding No. 2010-1, DEFICIENCY IN INTERNAL CONTROLS

Auditee Contact Person: Margie L. Reynolds
Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.

Finding No. 2010-2, INTERNAL CONTROLS

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

Auditee Contact Person: Margie L. Reynolds
Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.

Finding No. 2010-3, INTERNAL CONTROLS

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

Auditee Contact Person: Margie L. Reynolds
Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.

Finding No. 2010-4, INTERNAL CONTROLS

Federal Agency: U.S. Department of Education
Pass-through: Indiana Department of Education
Federal Program: Career and Technical Education –Basic Grants to States
CFDA Number: 84.027

Auditee Contact Person: Margie L. Reynolds
Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.

Finding No. 2010-5, INTERNAL CONTROLS

Federal Agency: U.S. Department of Education
Pass-through: Indiana Department of Education
Federal Program: Reading Excellence Act Program
CFDA Number: 84.357

Auditee Contact Person: Margie L. Reynolds
Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.

Finding No. 2010-6, INTERNAL CONTROLS

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

Auditee Contact Person: Margie L. Reynolds

Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.

Finding No. 2010-7, INTERNAL CONTROLS

Federal Agency: U.S. Department of Education
Pass-through: Logansport Area Joint Special Services Cooperative
Federal Program: Special Education – Grants to States (IDEA, Part B), Recovery Act
CFDA Number: 84.391

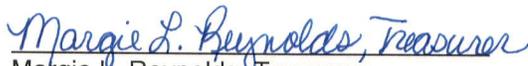
Auditee Contact Person: Margie L. Reynolds
Title of Contact Person: Treasurer
Phone Number: 574-583-7211
Expected Completion Date: December 30, 2010

Corrective Action Planned:

Lack of Segregation of Duties: The Treasurer, along with the Superintendent and Finance Committee will review Bank Reconciliation procedures. Monthly Bank Reconcilements will be reviewed by the Assistant Treasurer randomly, but at least quarterly. A Bank Reconciliation Report will be created by the Treasurer, reviewed by the Finance Committee and presented to the Board of School Trustees at their monthly meeting.



Thomas E. Fletcher, Superintendent



Margie L. Reynolds, Treasurer

TWIN LAKES SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 21, 2010, with Margie Reynolds, Treasurer; Dr. Thomas Fletcher, Superintendent of Schools; Larry Crabb, President of the School Board; Susan Mrzlack, Vice President of the School Board; Pamela Mowrer, Administrative Secretary; and Kimberly Campbell, Deputy Treasurer. The officials concurred with our audit findings.