

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CROWN POINT COMMUNITY SCHOOL CORPORATION
LAKE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

03/16/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer/Treasurer	Matthew D. Ruess	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Teresa A. Eineman	07-01-09 to 06-30-12
President of the School Board	Karen Schrum Scott T. Angel	07-01-09 to 06-30-11 07-01-11 to 06-30-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the accompanying financial statement of the Crown Point Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 15, 2012, 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 THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

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

STATE BOARD OF ACCOUNTS

February 15, 2012



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

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the financial statement of the Crown Point Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 15, 2012. 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 15, 2012

FINANCIAL STATEMENT

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 5,514,622	\$ 40,724,295	\$ 38,261,383	\$ (2,912,505)	\$ 5,065,029	\$ 41,100,286	\$ 40,637,415	\$ 300,979	\$ 5,828,879	
Debt Service	2,762,610	640,685	22,319	(2,828,773)	552,203	1,121	6,202	(527,548)	19,574	
Retirement/Severance Bond Debt Service	510,972	-	-	(510,972)	-	-	-	-	-	
Exempt Debt	-	19,412,116	19,304,204	2,828,773	2,936,685	21,525,931	21,859,873	(1,872,452)	730,291	
Exempt Retirement/Severance Bond Debt Service	-	1,460,384	1,647,026	510,972	324,330	3,072,249	3,050,719	(300,000)	45,860	
Capital Projects	3,883,724	5,956,678	6,580,420	-	3,259,982	6,430,092	5,247,992	(4,000,000)	442,082	
School Transportation	829,117	4,601,261	4,797,610	-	632,768	4,007,805	4,491,182	110,381	259,772	
School Bus Replacement	123,899	684,607	615,648	-	192,858	1,152,521	500,000	(700,000)	145,379	
Special Education Preschool	116,981	64,625	83,876	(97,730)	-	-	-	-	-	
Rainy Day	-	-	-	3,010,235	3,010,235	9,550,000	18,975,000	7,400,000	985,235	
Retirement/Severance Bond	2,341,694	11,693	743,191	-	1,610,196	4,433	617,682	-	996,947	
Post-Retirement/Severance Future Benefits	373,852	1,311	5,614	-	369,549	961	4,601	-	365,909	
Construction	912,810	12,716	724,843	-	200,683	839	264,646	-	(63,124)	
New Middle School	63,169	-	47,113	-	16,056	-	11,719	-	4,337	
School Lunch	1,100,505	2,996,150	2,944,191	(23,013)	1,129,451	2,964,213	2,886,484	(299,615)	907,565	
Textbook Rental	372,450	1,326,378	1,365,386	-	333,442	1,712,105	1,398,803	-	646,744	
Self-Insurance	660,960	6,769,464	5,702,741	-	1,727,683	7,021,543	6,399,807	-	2,349,419	
Levy Excess	-	-	-	-	-	110,381	-	(110,381)	-	
Educational License Plates	2,110	2,081	1,630	-	2,561	2,006	1,356	-	3,211	
Alternative Education	16,103	15,759	-	-	31,862	16,538	48,400	-	-	
Pop Machine	69,205	29,937	75,054	-	24,088	81,421	83,226	-	22,283	
Athletics	-	4,195	4,195	-	-	-	-	-	-	
High School Miscellaneous	-	12,325	-	-	12,325	24,485	18,109	-	18,701	
Intelenet	-	1,000	-	-	1,000	1,400	1,864	300	836	
Lake Street Target	-	800	800	-	-	-	-	-	-	
Ophelia Project	2	-	2	-	-	2,999	2,890	-	109	
Indy Colts	3,454	7,619	6,651	-	4,422	10,010	5,625	-	8,807	
Tony Cook Memorial	1,000	-	-	-	1,000	-	-	-	1,000	
Miscellaneous Grant	2,221	19,480	20,403	-	1,298	1,270	983	(300)	1,285	
Gifted and Talented	-	57,193	57,193	-	-	56,335	54,707	-	1,628	

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Scholarships and Awards	18,573	6,850	6,315	-	19,108	5,748	7,191	-	17,665
3709 Scholarship	-	-	-	-	-	200	-	-	200
Non-English Speaking Programs P.L. 273-1999	4,091	22,840	21,340	-	5,591	-	5,591	-	-
3711 Non-English Speaking	-	-	-	-	-	22,552	21,130	-	1,422
School Technology	212,067	106,582	28,336	-	290,313	131,120	36,990	-	384,443
Miscellaneous Programs	49,502	499	50,001	-	-	-	-	-	-
IAPSS Events	721	-	721	-	-	-	-	-	-
Title I	67,072	618,337	617,271	-	68,138	502,247	567,327	-	3,058
Innovative Education Program Strategies Title V (Part A)	158	3,819	3,977	-	-	-	-	-	-
IDEA	-	-	-	-	-	896,656	961,131	-	(64,475)
Federal Assistance Educational Preschool Handicapped	-	-	-	-	-	27,962	28,116	-	(154)
Drug Free	4,539	6,694	11,145	-	88	17,790	18,316	-	(438)
Perkins 11	-	-	-	-	-	3,884	10,348	-	(6,464)
Perkins 10	-	10,241	10,171	-	70	12,597	10,869	-	1,798
Tech Prep Robotics 10/11	-	-	-	-	-	3,000	3,000	-	-
Tech Prep Robotics 09/10	-	5,000	5,000	-	-	-	-	-	-
Tech Prep Planning 10/11	-	-	-	-	-	15,131	19,555	-	(4,424)
Tech Prep Planning 09/10	-	1,215	9,699	-	(8,484)	8,786	302	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	19,401	205,167	212,170	-	12,398	187,040	201,094	-	(1,656)
Title III, Language Instruction	2,740	19,760	19,916	-	2,584	16,135	18,522	-	197
Title II Part B Math and Science Partnership	-	9,318	9,318	-	-	6,438	6,438	-	-
Fiscal Stabilization - Education	3,381,316	1,534,032	4,915,348	-	-	-	-	-	-
ARRA Title I - Grants to LEAs	-	12,002	35,959	-	(23,957)	221,097	151,040	-	46,100
ARRA Special Education - Part B	-	999,689	1,033,226	-	(33,537)	178,597	150,738	-	(5,678)
ARRA Special Education - Part B - Preschool	-	-	-	-	-	62,200	4,186	-	58,014
ARRA Education Jobs	-	-	-	-	-	855,206	977,810	-	(122,604)
Payroll	269,973	9,706,148	9,954,184	-	21,937	9,909,145	9,799,006	-	132,076
Prepaid Food	-	1,694,437	1,690,325	23,013	27,125	1,595,549	1,594,039	-	28,635
Totals	\$ 23,691,613	\$ 99,775,382	\$ 101,645,915	\$ -	\$ 21,821,080	\$ 113,530,024	\$ 121,162,024	\$ 1,364	\$ 14,190,444

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

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

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

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

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Subsequent Events

Capital Lease Modified

On December 1, 2011, the School Corporation modified the capital lease with the Crown Point Multi-School Building Corporation (the lessor). The lessor refinanced its bond issue. As a result, the School Corporation's semiannual capital lease payment to the lessor has been decreased, saving the School Corporation a total of \$433,000 or 3.25 semiannual capital lease payments.

Tax Anticipation Warrants Issued

On December 12, 2011, the School Corporation approved issuing tax anticipation warrants for 2012. On January 3, 2012, \$3,264,400 was received from the Hammond Local Public Improvement Bond Bank. The interest rate is 1.05%. The principal and interest are due on December 31, 2012.

Medical Benefits and ISTA Lawsuit

The School Corporation provided medical benefits for teachers through a trust pool administered by the Indiana State Teachers Association (ISTA) Insurance Trust until June 30, 2009. The ISTA insurance trust was shut down by the state as of July 1, 2009, after ISTA said it was near bankruptcy with a \$67,000,000 deficit. The ISTA asked its parent organization, the National Education Association (NEA), to assume temporary control of the state-level operations. Currently, the School Corporation is providing medical benefits for teachers through their internal service fund.

The School Corporation had a claim stabilization reserve of \$6,111,883 as of June 30, 2011, to cover remaining unpaid claims. On May 6, 2011, the School Corporation filed a lawsuit against ISTA in order to obtain a refund of the claim stabilization reserve balance.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 5,514,622	\$ 2,762,610	\$ 510,972	\$ -	\$ -	\$ 3,883,724	\$ 829,117	\$ 123,899	\$ 116,981	\$ -
Receipts:										
Local sources	1,367,827	640,685	-	19,412,116	1,460,384	5,792,330	4,021,469	549,607	-	-
Intermediate sources	349,768	-	-	-	-	-	-	-	-	-
State sources	39,005,473	-	-	-	-	-	-	-	64,625	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	579,792	-	-	-
Interfund loans	-	-	-	-	-	135,000	-	135,000	-	-
Other	1,227	-	-	-	-	29,348	-	-	-	-
Total receipts	<u>40,724,295</u>	<u>640,685</u>	<u>-</u>	<u>19,412,116</u>	<u>1,460,384</u>	<u>5,956,678</u>	<u>4,601,261</u>	<u>684,607</u>	<u>64,625</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	23,255,579	-	-	-	-	-	-	-	-	-
Support services	12,681,291	-	-	-	-	4,559,365	3,105,404	480,648	-	-
Noninstructional services	659,233	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,886,055	-	-	-	-
Debt services	-	22,319	-	19,281,411	1,647,026	-	1,692,206	-	-	-
Nonprogrammed charges	1,665,280	-	-	22,793	-	-	-	-	83,876	-
Interfund loans	-	-	-	-	-	135,000	-	135,000	-	-
Total disbursements	<u>38,261,383</u>	<u>22,319</u>	<u>-</u>	<u>19,304,204</u>	<u>1,647,026</u>	<u>6,580,420</u>	<u>4,797,610</u>	<u>615,648</u>	<u>83,876</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,462,912</u>	<u>618,366</u>	<u>-</u>	<u>107,912</u>	<u>(186,642)</u>	<u>(623,742)</u>	<u>(196,349)</u>	<u>68,959</u>	<u>(19,251)</u>	<u>-</u>
Other financing sources (uses):										
Transfers in	97,730	-	-	2,828,773	510,972	-	-	-	-	3,010,235
Transfers out	(3,010,235)	(2,828,773)	(510,972)	-	-	-	-	-	(97,730)	-
Total other financing sources (uses)	<u>(2,912,505)</u>	<u>(2,828,773)</u>	<u>(510,972)</u>	<u>2,828,773</u>	<u>510,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,730)</u>	<u>3,010,235</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(449,593)</u>	<u>(2,210,407)</u>	<u>(510,972)</u>	<u>2,936,685</u>	<u>324,330</u>	<u>(623,742)</u>	<u>(196,349)</u>	<u>68,959</u>	<u>(116,981)</u>	<u>3,010,235</u>
Cash and investments - ending	<u>\$ 5,065,029</u>	<u>\$ 552,203</u>	<u>\$ -</u>	<u>\$ 2,936,685</u>	<u>\$ 324,330</u>	<u>\$ 3,259,982</u>	<u>\$ 632,768</u>	<u>\$ 192,858</u>	<u>\$ -</u>	<u>\$ 3,010,235</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Retirement/ Severance Bond	Post - Retirement/ Severance Future Benefits	Construction	New Middle School	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ 2,341,694	\$ 373,852	\$ 912,810	\$ 63,169	\$ 1,100,505	\$ 372,450	\$ 660,960	\$ -	\$ 2,110	\$ 16,103
Receipts:										
Local sources	11,693	1,311	12,716	-	2,107,188	354,032	6,769,464	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	2,081	-
State sources	-	-	-	-	46,115	972,346	-	-	-	15,759
Federal sources	-	-	-	-	840,505	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2,342	-	-	-	-	-
Total receipts	<u>11,693</u>	<u>1,311</u>	<u>12,716</u>	<u>-</u>	<u>2,996,150</u>	<u>1,326,378</u>	<u>6,769,464</u>	<u>-</u>	<u>2,081</u>	<u>15,759</u>
Disbursements:										
Current:										
Instruction	743,191	5,614	-	-	-	-	-	-	1,630	-
Support services	-	-	-	-	2,661	1,365,386	-	-	-	-
Noninstructional services	-	-	-	-	2,941,530	-	-	-	-	-
Facilities acquisition and construction	-	-	724,843	47,113	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	5,702,741	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>743,191</u>	<u>5,614</u>	<u>724,843</u>	<u>47,113</u>	<u>2,944,191</u>	<u>1,365,386</u>	<u>5,702,741</u>	<u>-</u>	<u>1,630</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(731,498)</u>	<u>(4,303)</u>	<u>(712,127)</u>	<u>(47,113)</u>	<u>51,959</u>	<u>(39,008)</u>	<u>1,066,723</u>	<u>-</u>	<u>451</u>	<u>15,759</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(23,013)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,013)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(731,498)</u>	<u>(4,303)</u>	<u>(712,127)</u>	<u>(47,113)</u>	<u>28,946</u>	<u>(39,008)</u>	<u>1,066,723</u>	<u>-</u>	<u>451</u>	<u>15,759</u>
Cash and investments - ending	<u>\$ 1,610,196</u>	<u>\$ 369,549</u>	<u>\$ 200,683</u>	<u>\$ 16,056</u>	<u>\$ 1,129,451</u>	<u>\$ 333,442</u>	<u>\$ 1,727,683</u>	<u>\$ -</u>	<u>\$ 2,561</u>	<u>\$ 31,862</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Pop Machine	Athletics	High School Miscellaneous	Intelenet	Lake Street Target	Ophelia Project	Indy Colts	Tony Cook Memorial	Miscellaneous Grant	Gifted and Talented
Cash and investments - beginning	\$ 69,205	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 3,454	\$ 1,000	\$ 2,221	\$ -
Receipts:										
Local sources	29,937	4,195	12,325	1,000	800	-	7,619	-	19,480	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	57,193
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	29,937	4,195	12,325	1,000	800	-	7,619	-	19,480	57,193
Disbursements:										
Current:										
Instruction	-	-	-	-	800	2	6,651	-	2,403	57,193
Support services	75,054	-	-	-	-	-	-	-	18,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	4,195	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	75,054	4,195	-	-	800	2	6,651	-	20,403	57,193
Excess (deficiency) of receipts over disbursements	(45,117)	-	12,325	1,000	-	(2)	968	-	(923)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(45,117)	-	12,325	1,000	-	(2)	968	-	(923)	-
Cash and investments - ending	\$ 24,088	\$ -	\$ 12,325	\$ 1,000	\$ -	\$ -	\$ 4,422	\$ 1,000	\$ 1,298	\$ -

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Scholarships and Awards	3709 Scholarship	Non-English Speaking Programs P.L. 273-1999	3711 Non-English Speaking	School Technology	Miscellaneous Programs	IAPSS Events	Title I	Innovative Education Program Strategies Title V (Part A)	IDEA
Cash and investments - beginning	\$ 18,573	\$ -	\$ 4,091	\$ -	\$ 212,067	\$ 49,502	\$ 721	\$ 67,072	\$ 158	\$ -
Receipts:										
Local sources	6,850	-	-	-	106,582	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	22,840	-	-	499	-	-	-	-
Federal sources	-	-	-	-	-	-	-	618,337	3,819	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	6,850	-	22,840	-	106,582	499	-	618,337	3,819	-
Disbursements:										
Current:										
Instruction	-	-	21,340	-	-	50,001	-	589,675	3,977	-
Support services	-	-	-	-	28,336	-	721	10,967	-	-
Noninstructional services	-	-	-	-	-	-	-	16,629	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	6,315	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,315	-	21,340	-	28,336	50,001	721	617,271	3,977	-
Excess (deficiency) of receipts over disbursements	535	-	1,500	-	78,246	(49,502)	(721)	1,066	(158)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	24,194	-	-
Transfers out	-	-	-	-	-	-	-	(24,194)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	535	-	1,500	-	78,246	(49,502)	(721)	1,066	(158)	-
Cash and investments - ending	\$ 19,108	\$ -	\$ 5,591	\$ -	\$ 290,313	\$ -	\$ -	\$ 68,138	\$ -	\$ -

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Federal Assistance Educational Preschool Handicapped	Drug Free	Perkins 11	Perkins 10	Tech Prep Robotics 10/11	Tech Prep Robotics 09/10	Tech Prep Planning 10/11	Tech Prep Planning 09/10	Improving Teaching Quality, No Child Left, Title II, Part A	Title III, Language Instruction
Cash and investments - beginning	\$ -	\$ 4,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,401	\$ 2,740
Receipts:										
Local sources	-	1,424	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	5,270	-	10,241	-	5,000	-	1,215	205,167	19,760
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	6,694	-	10,241	-	5,000	-	1,215	205,167	19,760
Disbursements:										
Current:										
Instruction	-	9,721	-	10,171	-	5,000	-	-	-	19,916
Support services	-	1,424	-	-	-	-	-	9,699	212,170	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	11,145	-	10,171	-	5,000	-	9,699	212,170	19,916
Excess (deficiency) of receipts over disbursements	-	(4,451)	-	70	-	-	-	(8,484)	(7,003)	(156)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,451)	-	70	-	-	-	(8,484)	(7,003)	(156)
Cash and investments - ending	\$ -	\$ 88	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ (8,484)	\$ 12,398	\$ 2,584

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title II Part B Math and Science Partnership	Fiscal Stabilization - Education	ARRA Title I - Grants to LEAs	ARRA Special Education - Part B	ARRA Special Education - Part B - Preschool	ARRA Education Jobs	Payroll	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ 3,381,316	\$ -	\$ -	\$ -	\$ -	\$ 269,973	\$ -	\$ 23,691,613
Receipts:									
Local sources	-	-	-	-	-	-	-	-	42,691,034
Intermediate sources	-	-	-	-	-	-	-	-	351,849
State sources	-	-	-	-	-	-	-	-	40,184,850
Federal sources	9,318	1,534,032	12,002	999,689	-	-	-	-	4,264,355
Temporary loans	-	-	-	-	-	-	-	-	579,792
Interfund loans	-	-	-	-	-	-	-	-	270,000
Other	-	-	-	-	-	-	9,706,148	1,694,437	11,433,502
Total receipts	9,318	1,534,032	12,002	999,689	-	-	9,706,148	1,694,437	99,775,382
Disbursements:									
Current:									
Instruction	9,318	4,164,861	30,783	-	-	-	-	-	28,987,826
Support services	-	657,894	5,176	211,181	-	-	-	-	23,425,377
Noninstructional services	-	92,593	-	-	-	-	-	-	3,709,985
Facilities acquisition and construction	-	-	-	7,500	-	-	-	-	2,665,511
Debt services	-	-	-	-	-	-	-	-	22,642,962
Nonprogrammed charges	-	-	-	814,545	-	-	9,954,184	1,690,325	19,944,254
Interfund loans	-	-	-	-	-	-	-	-	270,000
Total disbursements	9,318	4,915,348	35,959	1,033,226	-	-	9,954,184	1,690,325	101,645,915
Excess (deficiency) of receipts over disbursements	-	(3,381,316)	(23,957)	(33,537)	-	-	(248,036)	4,112	(1,870,533)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	23,013	6,494,917
Transfers out	-	-	-	-	-	-	-	-	(6,494,917)
Total other financing sources (uses)	-	-	-	-	-	-	-	23,013	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,381,316)	(23,957)	(33,537)	-	-	(248,036)	27,125	(1,870,533)
Cash and investments - ending	\$ -	\$ -	\$ (23,957)	\$ (33,537)	\$ -	\$ -	\$ 21,937	\$ 27,125	\$ 21,821,080

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 5,065,029	\$ 552,203	\$ -	\$ 2,936,685	\$ 324,330	\$ 3,259,982	\$ 632,768	\$ 192,858	\$ -	\$ 3,010,235
Receipts:										
Local sources	891,250	1,121	-	9,625,931	797,249	3,180,092	2,357,805	652,521	-	-
Intermediate sources	216,048	-	-	-	-	-	-	-	-	-
State sources	39,988,502	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	11,900,000	2,275,000	3,250,000	1,650,000	500,000	-	9,550,000
Other	4,486	-	-	-	-	-	-	-	-	-
Total receipts	<u>41,100,286</u>	<u>1,121</u>	<u>-</u>	<u>21,525,931</u>	<u>3,072,249</u>	<u>6,430,092</u>	<u>4,007,805</u>	<u>1,152,521</u>	<u>-</u>	<u>9,550,000</u>
Disbursements:										
Current:										
Instruction	27,142,578	-	-	-	-	-	-	-	-	-
Support services	12,564,453	-	-	-	-	3,118,508	3,261,390	-	-	-
Noninstructional services	645,766	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	379,484	-	-	-	-
Debt services	-	6,202	-	15,959,873	1,700,719	-	579,792	-	-	-
Nonprogrammed charges	284,618	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	5,900,000	1,350,000	1,750,000	650,000	500,000	-	18,975,000
Total disbursements	<u>40,637,415</u>	<u>6,202</u>	<u>-</u>	<u>21,859,873</u>	<u>3,050,719</u>	<u>5,247,992</u>	<u>4,491,182</u>	<u>500,000</u>	<u>-</u>	<u>18,975,000</u>
Excess (deficiency) of receipts over disbursements	<u>462,871</u>	<u>(5,081)</u>	<u>-</u>	<u>(333,942)</u>	<u>21,530</u>	<u>1,182,100</u>	<u>(483,377)</u>	<u>652,521</u>	<u>-</u>	<u>(9,425,000)</u>
Other financing sources (uses):										
Sale of capital assets	1,364	-	-	-	-	-	-	-	-	-
Transfers in	299,615	-	-	152,548	-	-	110,381	-	-	7,400,000
Transfers out	-	(527,548)	-	(2,025,000)	(300,000)	(4,000,000)	-	(700,000)	-	-
Total other financing sources (uses)	<u>300,979</u>	<u>(527,548)</u>	<u>-</u>	<u>(1,872,452)</u>	<u>(300,000)</u>	<u>(4,000,000)</u>	<u>110,381</u>	<u>(700,000)</u>	<u>-</u>	<u>7,400,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>763,850</u>	<u>(532,629)</u>	<u>-</u>	<u>(2,206,394)</u>	<u>(278,470)</u>	<u>(2,817,900)</u>	<u>(372,996)</u>	<u>(47,479)</u>	<u>-</u>	<u>(2,025,000)</u>
Cash and investments - ending	<u>\$ 5,828,879</u>	<u>\$ 19,574</u>	<u>\$ -</u>	<u>\$ 730,291</u>	<u>\$ 45,860</u>	<u>\$ 442,082</u>	<u>\$ 259,772</u>	<u>\$ 145,379</u>	<u>\$ -</u>	<u>\$ 985,235</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Retirement/ Severance Bond	Post - Retirement/ Severance Future Benefits	Construction	New Middle School	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ 1,610,196	\$ 369,549	\$ 200,683	\$ 16,056	\$ 1,129,451	\$ 333,442	\$ 1,727,683	\$ -	\$ 2,561	\$ 31,862
Receipts:										
Local sources	4,433	961	839	-	1,941,089	694,244	7,021,543	110,381	-	-
Intermediate sources	-	-	-	-	-	-	-	-	2,006	-
State sources	-	-	-	-	48,974	1,017,861	-	-	-	16,538
Federal sources	-	-	-	-	971,808	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2,342	-	-	-	-	-
Total receipts	<u>4,433</u>	<u>961</u>	<u>839</u>	<u>-</u>	<u>2,964,213</u>	<u>1,712,105</u>	<u>7,021,543</u>	<u>110,381</u>	<u>2,006</u>	<u>16,538</u>
Disbursements:										
Current:										
Instruction	617,682	4,601	-	-	-	-	-	-	1,356	48,400
Support services	-	-	-	-	1,599	1,398,803	-	-	-	-
Noninstructional services	-	-	-	-	2,884,885	-	-	-	-	-
Facilities acquisition and construction	-	-	264,646	11,719	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	6,399,807	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>617,682</u>	<u>4,601</u>	<u>264,646</u>	<u>11,719</u>	<u>2,886,484</u>	<u>1,398,803</u>	<u>6,399,807</u>	<u>-</u>	<u>1,356</u>	<u>48,400</u>
Excess (deficiency) of receipts over disbursements	<u>(613,249)</u>	<u>(3,640)</u>	<u>(263,807)</u>	<u>(11,719)</u>	<u>77,729</u>	<u>313,302</u>	<u>621,736</u>	<u>110,381</u>	<u>650</u>	<u>(31,862)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	191	-	-	-
Transfers out	-	-	-	-	(299,615)	-	(191)	(110,381)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(299,615)</u>	<u>-</u>	<u>-</u>	<u>(110,381)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(613,249)</u>	<u>(3,640)</u>	<u>(263,807)</u>	<u>(11,719)</u>	<u>(221,886)</u>	<u>313,302</u>	<u>621,736</u>	<u>-</u>	<u>650</u>	<u>(31,862)</u>
Cash and investments - ending	<u>\$ 996,947</u>	<u>\$ 365,909</u>	<u>\$ (63,124)</u>	<u>\$ 4,337</u>	<u>\$ 907,565</u>	<u>\$ 646,744</u>	<u>\$ 2,349,419</u>	<u>\$ -</u>	<u>\$ 3,211</u>	<u>\$ -</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Pop Machine	Athletics	High School Miscellaneous	Intelenet	Lake Street Target	Ophelia Project	Indy Colts	Tony Cook Memorial	Miscellaneous Grant	Gifted and Talented
Cash and investments - beginning	\$ 24,088	\$ -	\$ 12,325	\$ 1,000	\$ -	\$ -	\$ 4,422	\$ 1,000	\$ 1,298	\$ -
Receipts:										
Local sources	81,421	-	24,485	1,400	-	2,999	10,010	-	1,270	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	56,335
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	81,421	-	24,485	1,400	-	2,999	10,010	-	1,270	56,335
Disbursements:										
Current:										
Instruction	-	-	18,109	1,864	-	2,890	5,625	-	983	54,707
Support services	65,226	-	-	-	-	-	-	-	-	-
Noninstructional services	18,000	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	83,226	-	18,109	1,864	-	2,890	5,625	-	983	54,707
Excess (deficiency) of receipts over disbursements	(1,805)	-	6,376	(464)	-	109	4,385	-	287	1,628
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	300	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(300)	-
Total other financing sources (uses)	-	-	-	300	-	-	-	-	(300)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,805)	-	6,376	(164)	-	109	4,385	-	(13)	1,628
Cash and investments - ending	\$ 22,283	\$ -	\$ 18,701	\$ 836	\$ -	\$ 109	\$ 8,807	\$ 1,000	\$ 1,285	\$ 1,628

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Scholarships and Awards	3709 Scholarship	Non-English Speaking Programs P.L. 273-1999	3711 Non-English Speaking	School Technology	Miscellaneous Programs	IAPSS Events	Title I	Innovative Education Program Strategies Title V (Part A)	IDEA
Cash and investments - beginning	\$ 19,108	\$ -	\$ 5,591	\$ -	\$ 290,313	\$ -	\$ -	\$ 68,138	\$ -	\$ -
Receipts:										
Local sources	5,748	200	-	-	116,914	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	22,552	14,206	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	502,247	-	896,656
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	5,748	200	-	22,552	131,120	-	-	502,247	-	896,656
Disbursements:										
Current:										
Instruction	-	-	5,591	21,130	-	-	-	543,218	-	431,887
Support services	-	-	-	-	36,990	-	-	4,739	-	529,244
Noninstructional services	-	-	-	-	-	-	-	5,933	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	7,191	-	-	-	-	-	-	13,437	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,191	-	5,591	21,130	36,990	-	-	567,327	-	961,131
Excess (deficiency) of receipts over disbursements	(1,443)	200	(5,591)	1,422	94,130	-	-	(65,080)	-	(64,475)
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	(1,443)	200	(5,591)	1,422	94,130	-	-	(65,080)	-	(64,475)
Cash and investments - ending	\$ 17,665	\$ 200	\$ -	\$ 1,422	\$ 384,443	\$ -	\$ -	\$ 3,058	\$ -	\$ (64,475)

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Federal Assistance Educational Preschool Handicapped	Drug Free	Perkins 11	Perkins 10	Tech Prep Robotics 10/11	Tech Prep Robotics 09/10	Tech Prep Planning 10/11	Tech Prep Planning 09/10	Improving Teaching Quality, No Child Left, Title II, Part A	Title III, Language Instruction
Cash and investments - beginning	\$ -	\$ 88	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ (8,484)	\$ 12,398	\$ 2,584
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	27,962	17,790	3,884	12,597	3,000	-	15,131	8,786	187,040	16,135
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>27,962</u>	<u>17,790</u>	<u>3,884</u>	<u>12,597</u>	<u>3,000</u>	<u>-</u>	<u>15,131</u>	<u>8,786</u>	<u>187,040</u>	<u>16,135</u>
Disbursements:										
Current:										
Instruction	28,116	18,316	-	10,869	3,000	-	-	-	-	18,522
Support services	-	-	10,348	-	-	-	19,555	302	201,094	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>28,116</u>	<u>18,316</u>	<u>10,348</u>	<u>10,869</u>	<u>3,000</u>	<u>-</u>	<u>19,555</u>	<u>302</u>	<u>201,094</u>	<u>18,522</u>
Excess (deficiency) of receipts over disbursements	<u>(154)</u>	<u>(526)</u>	<u>(6,464)</u>	<u>1,728</u>	<u>-</u>	<u>-</u>	<u>(4,424)</u>	<u>8,484</u>	<u>(14,054)</u>	<u>(2,387)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(154)</u>	<u>(526)</u>	<u>(6,464)</u>	<u>1,728</u>	<u>-</u>	<u>-</u>	<u>(4,424)</u>	<u>8,484</u>	<u>(14,054)</u>	<u>(2,387)</u>
Cash and investments - ending	<u>\$ (154)</u>	<u>\$ (438)</u>	<u>\$ (6,464)</u>	<u>\$ 1,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,424)</u>	<u>\$ -</u>	<u>\$ (1,656)</u>	<u>\$ 197</u>

CROWN POINT COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title II Part B Math and Science Partnership	Fiscal Stabilization - Education	ARRA Title I - Grants to LEAs	ARRA Special Education - Part B	ARRA Special Education - Part B - Preschool	ARRA Education Jobs	Payroll	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (23,957)	\$ (33,537)	\$ -	\$ -	\$ 21,937	\$ 27,125	\$ 21,821,080
Receipts:									
Local sources	-	-	-	-	-	-	-	-	27,523,906
Intermediate sources	-	-	-	-	-	-	-	-	218,054
State sources	-	-	-	-	-	-	-	-	41,164,968
Federal sources	6,438	-	221,097	178,597	62,200	855,206	-	-	3,986,574
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	29,125,000
Other	-	-	-	-	-	-	9,909,145	1,595,549	11,511,522
Total receipts	6,438	-	221,097	178,597	62,200	855,206	9,909,145	1,595,549	113,530,024
Disbursements:									
Current:									
Instruction	6,438	-	141,244	5,100	4,186	939,980	-	-	30,076,392
Support services	-	-	8,220	144,421	-	37,783	-	-	21,402,675
Noninstructional services	-	-	1,576	-	-	47	-	-	3,556,207
Facilities acquisition and construction	-	-	-	1,217	-	-	-	-	657,066
Debt services	-	-	-	-	-	-	-	-	18,246,586
Nonprogrammed charges	-	-	-	-	-	-	9,799,006	1,594,039	18,098,098
Interfund loans	-	-	-	-	-	-	-	-	29,125,000
Total disbursements	6,438	-	151,040	150,738	4,186	977,810	9,799,006	1,594,039	121,162,024
Excess (deficiency) of receipts over disbursements	-	-	70,057	27,859	58,014	(122,604)	110,139	1,510	(7,632,000)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	1,364
Transfers in	-	-	-	-	-	-	-	-	7,963,035
Transfers out	-	-	-	-	-	-	-	-	(7,963,035)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,364
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	70,057	27,859	58,014	(122,604)	110,139	1,510	(7,630,636)
Cash and investments - ending	\$ -	\$ -	\$ 46,100	\$ (5,678)	\$ 58,014	\$ (122,604)	\$ 132,076	\$ 28,635	\$ 14,190,444

CROWN POINT COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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

	Ending Balance
Capital assets, not being depreciated:	
Land	\$ 6,531,506
Buildings	175,511,690
Improvements other than buildings	10,531,099
Machinery and equipment	16,868,075
 Total capital assets, not being depreciated	 \$ 209,442,370

CROWN POINT COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital leases:			
Crown Point Multi-School Building Corporation, Refinanced Building Renovations, New Middle School	\$ 58,190,000	\$ 4,985,370	Exempt Debt
Crown Point Multi-School Building Corporation, Expansion of Crown Point High School	16,690,000	1,371,430	Exempt Debt
Crown Point Multi-School Building Corporation, New Elementary	2,120,000	258,615	Exempt Debt
Crown Point Multi-School Building Corporation, Renovation and Expansion Projects	25,875,000	2,163,446	Exempt Debt
Crown Point Multi-School Building Corporation, New High School	32,055,436	5,893,000	Exempt Debt
Notes and loans payable:			
Common School Loans	11,492,515	1,456,879	Exempt Debt
Veterans Memorial Loan	187,000	23,870	Exempt Debt
Bonds payable;			
General obligation bonds:			
Pension Bonds, Series 2004	<u>8,150,000</u>	<u>1,149,719</u>	Exempt Retirement/Severance Bond Debt Service
Total debt	<u><u>\$ 154,759,951</u></u>	<u><u>\$ 17,302,329</u></u>	

CROWN POINT COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

TRANSACTION RECORDING

The School Corporation officials recorded both permanent transfers between funds and temporary loans between funds in the same account number for receipts (5200) and for disbursements (60100). These account numbers are for recording permanent transfers from one fund to another. There are separate receipts (5450) and disbursements (60200) account numbers to record temporary loans between funds. The incorrect recording caused an overstatement of \$270,000 in 2009/2010 and \$29,125,000 in 2010/2011 for both the Transfers In and Transfers Out reported on the financial statement. With the approval of the officials, the transaction reporting on the financial statement has been corrected. In the future, the officials should use the proper account numbers for temporary loans between funds.

The Master Chart of Receipt Accounts . . . provides a detailed outline of the receipt account . . . 5450 Loans From One Fund to Another. Receipt to this account any money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 4)

The Master Chart of Expenditure Accounts . . . provides a detailed description of account . . . 60200 Loans From One Fund to Another. Advancements or transfers from a fund with a sufficient balance to a fund with a depleted balance instead of negotiating a temporary loan with a bank. Such loans or transfers must be repaid to the fund from which advanced during the calendar year of such advancement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 5)

STUDENT FEES (Applies to Crown Point High School)

In the year ending June 30, 2011, the High School charged the following fees as part of textbook rental billing and collection:

School newspaper subscription
Student e-mail account fee
Social (class) dues

The first two fees (newspaper subscription and the student e-mail account fee) were remitted monthly to the School Corporation. All students received the school newspaper and a student email account. The "Social (Class) dues" were transferred to the appropriate high school class fund (Class of 2011, 2012, 2013, or 2014). These fees were approved by the School Board as part of the Textbook Rental fee schedule.

We are not aware of any authority that would allow the School Corporation to asses these fees routinely on all students.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PROPER USE OF FUNDS (Applies to Eisenhower Elementary School)

Eisenhower Elementary School does not use the Student Activity Fund and the Interest Earned Fund properly. School picture commissions, art commissions, and other commissions were receipted into the "Interest Fund." The Interest Fund's revenue source should only be interest income from bank accounts.

CROWN POINT COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Commissions generated by the student body should be used for the benefit of the student body and posted to the Student Activity Fund. The Student Activity Fund at Eisenhower Elementary included field trip receipts and disbursements, yearbook sales and expenses, and expenses for a specific class activity (i.e. second grade ice cream sundaes), rather than the student body as a whole. Prior to the start of the audit, the school officials corrected these funds.

The State Board of Accounts consistently has been of the audit position to not take an audit exception to a school extra-curricular account having a general fund if the fund consists of revenues received from functions (vending machines or sales of a similar nature, etc.) not generated by students for a specific class or organization (for which a fund should be established). Our audit position has been with the provision that the functions for which the expenditures are made benefit the student body as a whole (as opposed to a select group of students, school employees or administrators). Examples of appropriate expenditures in the past would be convocations, field trips which the entire student body has the opportunity to take during the course of the school year, etc. Our audit position has been based in part upon the substance of the transaction (the revenues are primarily from students or parents paying into vending machines, picture money, etc.). Naturally, we would not take audit exception to a public policy of a school corporation which would provide that a general fund does not exist and that money from these type of functions be used to offset the cost of the function (reduced prices of vending machine items, reduce the costs of pictures, etc.). (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

Indiana Code 20-41-1-9(b) states:

"The money in the school extra-curricular account may be invested under the conditions specified in IC 5-13-10 and 5-13-10.5 for investment of state money. However, investments under this section are at the discretion of the principal. The interest earned from any investment may be credited to the school extra-curricular account and need not be credited proportionately to each separate extra-curricular fund. The interest earned from the investment may be used for any of the following: (1) A school purpose approved by the principal; or (2) An extra-curricular purpose approved by the principal."

The State Board of Accounts is of the audit position that for accounting purposes a necessity exists to establish an Investment Income Fund in the Extra-Curricular Account records to which any earnings may be receipted and from which expenditures are made. A dual control will also be necessary to be kept instead of the usual single control for the Extra-Curricular Account. One control will be used to record the transactions of the checking account, and another will be used to account for the investment from the total monies on deposit. The balances of these two controls when added together must equal the total of the balances of all the individual extra-curricular funds at all times. (The School Administrator and Uniform Compliance Guidelines, September, 2001)

TEXTBOOK RENTAL RECEIPT RECORDS (Applies to Lake Street Elementary School)

The Extra-Curricular Treasurer was to prepare a Form TBR-2, Official Receipt Individual Textbook Rental List, for each payment received from students for textbook rental. An official receipt Form SA-3, Receipt - School Extra-Curricular Account, is then written for a group of form TBR-2's, in order to deposit the collection to the bank and post the total collected to the funds ledger. In the fiscal year ending June 30, 2011, we noted the following deficiencies in the textbook rental receipts at Lake Street Elementary:

1. A Form TBR-2, Official Receipt Individual Textbook Rental List, was not issued for all textbook rental payments received on-line.

CROWN POINT COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

2. The total of the Form TBR-2's issued for payments of textbook rental fees paid by the State reimbursement exceeded the amount actually received from the State of Indiana by \$605.35.
3. Form TBR-2's were issued out of date order.
4. The Form SA-3, Receipt, written for a group of Form TBR-2's, did not indicate the Form TBR-2 receipt range covered by the Form SA-3.
5. The supply portion of textbook rental collections was not properly posted to the supply fund.

Prior to the start of the audit, the school officials took steps to correct these items.

The original of Form TBR-2 is to be given the payer (student or parent). The duplicate is to be retained by the issuing officer and the triplicate is to remain intact in the book. The duplicate, together with rental fees collected, must be transmitted daily to the treasurer. The treasurer may direct the issuing officer to deposit all fees collected each day and submit an acknowledged, duplicate deposit slip with duplicate copies of Form TBR-2. The treasurer may also require the issuing officer to submit a summary or recap sheet of all fees collected by grade or other designated categories. If this is done, the total of the summary or recap sheet must agree with the amount on the duplicate deposit sheet as well as the total of all TBR-2 forms submitted for the day. All duplicates of Form TBR-2 shall be filed alphabetically, by student last names, in the office of the treasurer for audit purposes. A separate TBR-2 should be issued each time a payment is made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

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

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

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

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

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Crown Point Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. 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, 2010 and 2011. The results of our auditing procedures also disclosed an instance of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item Finding 2011-1.

Internal Control Over Compliance

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 and to test and

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)

report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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 the response.

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

STATE BOARD OF ACCOUNTS

February 15, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 93,143	\$ 102,976
National School Lunch Program	10.555		<u>883,222</u>	<u>1,030,681</u>
Total for federal grantor agency			<u>976,365</u>	<u>1,133,657</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-4660	197,573	-
		10-4660	443,893	162,572
		11-4660	<u>-</u>	<u>404,754</u>
Total for program			<u>641,466</u>	<u>567,326</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-4660	<u>35,957</u>	<u>151,040</u>
Total for cluster			<u>677,423</u>	<u>718,366</u>
Special Education Cluster				
Special Education - Grants to States	84.027	10-4660	-	961,130
Special Education - Preschool Grants	84.173	10-4660	-	28,116
ARRA - Special Education - Grants to States, Recovery Act	84.391	10-4660	1,033,225	150,738
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	10-4660	<u>-</u>	<u>4,186</u>
Total for cluster			<u>1,033,225</u>	<u>1,144,170</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	10-4660	<u>4,915,356</u>	<u>-</u>
Pass-Through Hanover Community School Corporation				
Career and Technical Education -- Basic Grants to States (Perkins IV)	84.048	10-4700-4580	10,170	10,870
		11-4700-4580	<u>-</u>	<u>10,349</u>
Total for program			<u>10,170</u>	<u>21,219</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186	07-4660	1,629	-
		08-4660	9,515	88
		09-4660	<u>-</u>	<u>18,228</u>
Total for program			<u>11,144</u>	<u>18,316</u>

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243	C1-0-CPR-9-64 A58-1-11C1-032 C1-10-SPL B10-9-64 C1-1-CPR-0-64	5,000 - 9,698 -	- 3,000 302 19,555
Total for program			14,698	22,857
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298	06-4660	3,977	-
English Language Acquisition Grants	84.365	01109-046-PN01 62620/59K00 01111-043-PN01	2,740 17,176 -	- 5,054 13,468
Total for program			19,916	18,522
Pass-Through Merrillville Community School Corporation Mathematics and Science Partnerships	84.366	MARK	9,318	6,438
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367	07-4660 08-4660 09-4660 10-4660	11,524 166,966 33,680 -	- 30,578 123,190 47,326
Total for program			212,170	201,094
ARRA - Education Jobs Fund (Ed Jobs), Recovery Act	84.410	10-4660	-	977,810
Total for federal grantor agency			6,907,397	3,128,792
Total federal awards expended			\$ 7,883,762	\$ 4,262,449

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

CROWN POINT COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2010	2011
Child Nutrition Cluster	\$ 135,859	\$ 161,849

CROWN POINT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Title I, Part A Cluster
	Special Education Cluster
	State Fiscal Stabilization Fund Cluster
84.367	Improving Teacher Quality State Grants
84.410	ARRA - Education Jobs Fund (Ed Jobs), Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$364,386

Auditee qualified as low-risk auditee? no

CROWN POINT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1, - TITLE I, REPORTING

Federal Agency: U.S. Department of Education
Federal Program: Title I, Grants to Local Educational Agencies
CFDA Number: 84.010
Pass-Through: Indiana Department of Education
Award Numbers: 10-4660, 11-4660

The School Corporation did not have adequate internal control procedures to ensure the timeliness of reports filed with the State of Indiana. Indiana Department of Education requires the School Corporation to submit Title I quarterly reports called "Quarterly Monitoring Report." This report is a financial report that is due 10 days after the end of each quarter. During the audit period ending June 30, 2011, six out of the eight "Quarterly Monitoring Reports" were between two and thirty-seven days late.

34 CFR 80.41(c)(4) states in part: "Grantees must submit the report no later than 15 working days following the end of the quarter."

Failure to comply with federal and state reporting requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended that the School Corporation design and implement internal control procedures that will ensure the timely preparation of required reports.

CROWN POINT COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CROWN POINT COMMUNITY SCHOOL CORPORATION



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Matthew D. Ruess
Chief Financial Officer
mruess@cps.k12.in.us

CORRECTIVE ACTION PLAN

Section III – Federal Awards Findings and Questioned Costs

FINDING 2011-1, TITLE I, REPORTING

Federal Agency: U.S. Department of Education
Federal Program: Title I, Grants to Local Education Agencies
CFDA Number: 84.010
Pass-Through: Indiana Department of Education
Award Numbers: 10-4660, 11-4660
Auditee Contact Person: Matthew D. Ruess
Title of Contact Person: Chief Financial Officer
Phone Number: 219.663.3371

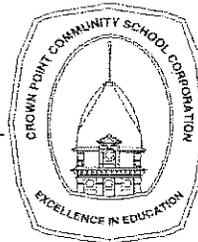
The quarterly report due dates have been placed on three individual's calendars, the Deputy Treasurer, the Title I Grant Secretary and the CFO. The Title I Grant Secretary does all of the reporting for the grant currently except the quarterly monitoring report and we have added to her responsibilities this report as well.

Signed Matthew D. Ruess
Title CFO
Date FEBRUARY 2, 2012

CROWN POINT COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 15, 2012, with Matthew D. Ruess, Chief Financial Officer/Treasurer; Dr. Teresa A. Eineman, Superintendent of Schools; and Scott T. Angel, President of the School Board. The Official Response has been made a part of this report and may be found on pages 48 through 50.

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Chief Financial Officer
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Mr. Bruce Hartman, CPA
State Examiner
State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, In 46204

February 29, 2012

RE: Official Audit Response

Dear Mr. Hartman:

We had our final exit conference on Wednesday, February 15, 2012 with the State Board of Accounts. We would like to respond to the Audit Results and Comments with the following resolutions.

Transaction Recording

The School Corporation acknowledges that an error was made in recording loans between funds at the end of the years noted. By way of background, these inter-fund loans were necessitated due to the delay in the distribution of property taxes. The reason the second year is a larger amount is due to the need to make these loans in both June and December as property tax distributions were late for both six month periods. As mentioned in the Audit Results and Comments, the proper account code for the transfer of these temporary funds is 60200, but the entries were mistakenly input to the permanent transfer account of 60100. This relates solely to unintentional human error. We have taken steps to reinforce controls and do not anticipate any recurrence.

Student Fees (Crown Point High School)

The School Corporation takes exception to an Audit Results and Comments with regard to what is called "college placement test fees". We posit that nomenclature may be at issue here. As part of its internal placement and curriculum planning, the School Corporation has every student undergo a standardized testing regimen each school year. In grades 9, 10 and 11 students participate in the ACT's Educational Planning and Assessment System (EPAS). This includes the ACT Plan in grades 9 and 10 and the ACT in grade 11. The results are used to monitor student college and career readiness, determine appropriate student course placement, and determine curricular strengths and challenges in English, Reading, Math, Science, Social Studies and reading in other technical areas. The fee is assessed to cover the cost of the test kit. It

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is the School Corporation's position that the fee is an appropriate charge as a consumable, akin to a workbook, annual subscriptions of digital content and associated assessments, and laboratory supplies, which has been accepted to be within the statutory authorization to charge textbook rental fees. I.C. 20-26-12-1 *et seq.* As with textbook rental fees, the School Corporation takes into consideration each student's status and reduces or waives the fee for students qualifying as free and reduced. As such, the fee is in no way contrary to statutory or Constitutional provisions.

That said, we agree with the notation regarding social (class) dues (as expressed in the School Administrator, Volume 185, Page 5). The School Corporation will discontinue these dues. Although the School Corporation would suggest a revisit to the school newspaper subscription as appropriate under consumables, the School Corporation will discontinue this subscription along with student e-mail accounts.

Finally, we bring attention to the verbiage used in the Manual and as specifically cited in the Audit Results and Comments. The Board of Schools Trustees did approve the aforementioned items as part of the Textbook Rental schedule in what it believed to be a valid exercise of its authority under Home Rule as such are not specifically prohibited by statute. It is within the discretion of the SchoolBoard, as deemed appropriate for our students.

Proper Use of Funds (Eisenhower Elementary School)

Notably and as a routine practice of internal controls, this item was identified and addressed by the School Corporation prior to the arrival of the field representatives. Due to corrective steps undertaken, the School Corporation does not anticipate recurrence. In addition, it is important to note that this Audit comment relates to the deposit of funds into an incorrect account, but, as was determined through the audit process, all funds are accounted for and no funds were ever used inappropriately.

Textbook Rental Receipt Records (Lake Street Elementary School)

Similarly, these issues were identified and addressed by the School Corporation during routine performance oversight of employees prior to arrival. The improper practice was identified by School employees in the spring of 2011. A new employee has been assigned, trained and subsequently monitored since that time. The School Corporation does not anticipate recurrence. In addition, the School Corporation notes this field representatives' comment moot.

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Finally, with regard to the few measures noted, they have been discussed with the appropriate parties and implementation of the measures will be reviewed for fidelity by the Chief Financial Officer.

Sincerely,

A handwritten signature in blue ink that reads "Dr. Teresa A. Eineman". The signature is fluid and cursive.

Dr. Teresa A. Eineman
Superintendent

A handwritten signature in blue ink that reads "Matthew D. Ruess". The signature is fluid and cursive.

Matthew D. Ruess
Chief Financial Officer