

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TRITON SCHOOL CORPORATION  
MARSHALL COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
01/23/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janet Barker	07-01-10 to 06-30-13
Superintendent of Schools	Carl Hilling Donna J. Burroughs	07-01-10 to 06-30-12 07-01-12 to 06-30-15
President of the School Board	Richard Trowbridge Deborah Shively	01-01-10 to 12-31-11 01-01-12 to 12-31-12



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TRITON SCHOOL CORPORATION, MARSHALL COUNTY, INDIANA

We have audited the accompanying financial statement of the Triton School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

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.

STATE BOARD OF ACCOUNTS

December 17, 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 TRITON SCHOOL CORPORATION, MARSHALL COUNTY, INDIANA

We have audited the financial statement of the Triton School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated December 17, 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

Management of the School Corporation is responsible for establishing and maintaining effective 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.

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

December 17, 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.

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TRITON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2011 and 2012

	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-10	Receipts	Disbursements		06-30-11	Receipts	Disbursements		
General	\$ 253,737	\$ 6,235,361	\$ 6,400,330	\$ (221)	\$ 88,547	\$ 6,119,754	\$ 6,376,695	\$ -	\$ (168,394)
Debt Service	111,103	351,927	78,322	-	384,708	653,134	680,572	-	357,270
Retirement/Severance Bond Debt Service	24,888	198,396	187,761	-	35,523	203,808	185,044	-	54,287
Capital Projects	634,580	808,015	807,496	-	635,099	727,271	938,889	-	423,481
School Transportation	247,135	526,829	476,513	11,546	308,997	536,529	498,847	-	346,679
School Bus Replacement	78,579	204,313	74,122	-	208,770	79,571	127,230	-	161,111
Rainy Day	87,000	-	20,000	4,368	71,368	-	31,910	-	39,458
Retirement/Severance Bond	5,518	-	1,150	(4,368)	-	-	-	-	-
Construction 2010A Lease	-	95,000	-	-	95,000	-	68,593	-	26,407
Construction 2010B QSCB	-	42,000	-	-	42,000	-	24,675	-	17,325
School Lunch	202,636	432,238	436,726	-	198,148	487,553	409,763	-	275,938
Textbook Rental	22,765	95,026	126,930	-	(9,139)	89,373	138,164	-	(57,930)
Levy Excess	2,714	8,832	-	(11,546)	-	-	-	-	-
Early Intervention Grant	-	-	-	-	-	43,706	18,018	-	25,688
Marshall County Community Foundation	293	150	374	-	69	-	69	-	-
Instructional Support	15,704	29,238	39,296	-	5,646	28,158	10,629	-	23,175
Education Technology	5,633	-	16,088	-	(10,455)	104,046	93,591	-	-
Non-English Speaking Program	3,545	4,237	7,324	-	458	3,324	1,194	-	2,588
School Technology	9,668	13,701	19,217	-	4,152	13,218	7,813	-	9,557
Excess PTRC Distributions	-	-	-	-	-	8,697	-	-	8,697
Title I 2007-2008	2,060	-	1,474	(586)	-	-	-	-	-
Title I 2008-2009	(586)	-	-	586	-	-	-	-	-
Title I 2009-2010	6,426	4,296	8,735	(1,987)	-	-	-	-	-
Title I 2010-2011	-	81,450	95,108	1,987	(11,671)	-	317	-	(11,988)
Title I 2011-2012	-	-	-	-	-	74,783	124,942	-	(50,159)
IDEA, Part B Technology Grant	-	-	-	-	-	70,000	63,621	-	6,379
Drug Free Schools 2008-2009	1,065	-	1,065	-	-	-	-	-	-
Drug Free Schools 2009-2010	3,408	-	2,143	-	1,265	308	1,573	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	30,165	-	44,597	-	(14,432)	48,807	46,229	-	(11,854)
Title III, Language Instruction	3,539	-	4,975	-	(1,436)	4,900	4,573	-	(1,109)
Reading First, No Child Left Behind	(15,517)	113,302	89,726	-	8,059	30,120	38,179	-	-
Title I - Grants to LEAs ARRA	(13,336)	30,392	17,277	221	-	-	-	-	-
Education Jobs	-	-	-	-	-	105,066	105,066	-	-
School Lunch Reimbursements - Clearing Account	-	214,851	214,851	-	-	274,540	247,782	-	26,758
Payroll	214,855	1,935,707	1,957,435	-	193,127	1,904,768	1,929,881	-	168,014
<b>Totals</b>	<b>\$ 1,937,577</b>	<b>\$ 11,425,261</b>	<b>\$ 11,129,035</b>	<b>\$ -</b>	<b>\$ 2,233,803</b>	<b>\$ 11,611,434</b>	<b>\$ 12,173,859</b>	<b>\$ -</b>	<b>\$ 1,671,378</b>

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

TRITON 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.

*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. Receipts are recorded when received and disbursements are recorded when paid.

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

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, 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 include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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.

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, 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, funds held temporarily for an authorized recipient, and self-insurance payments.

*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 may include, but are not limited to, the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*H. Joint Ventures*

The School Corporation is a participant in a joint venture to operate North Central Area Vocational Cooperative which was created to provide programs and services for vocational education. The North Central Area Vocational Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the North Central Area Vocational Cooperative can be obtained from the administrative office of Culver Community Schools at 222 N. Ohio Street, Culver, IN 46511.

The School Corporation is a participant in a joint venture to operate Joint Educational Services in Special Education (JESSE) which was created to provide programs and services for the handicapped. JESSE's continued existence depends on continued funding by the School Corporation. Complete financial statements for JESSE can be obtained from the administrative office of JESSE at 324 N. Kingston Road, Plymouth, IN 46563.

The School Corporation is a participant in a joint venture to operate Northern Indiana Educational Services Center (NIESC) which was created to provide educational services to the member schools. NIESC's continued existence depends on continued funding by the School Corporation. In 2010, the State of Indiana discontinued its funding of the NIESC. Complete financial statements for the NIESC can be obtained from the administrative office at 56535 Magnetic Drive, Mishawaka, IN 46545.

**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,

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. *Property Taxes***

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

**Note 4. *Deposits and Investments***

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

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

**Note 5. *Risk Management***

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

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.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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:

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. Teacher's Retirement Fund*

*Plan Description*

The Indiana Teacher's 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:

TRITON SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

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.

**Note 7. Cash and Investment Balance Deficits**

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants or an underestimation of current requirements. These deficits will be repaid from future receipts.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with Triton School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal year 2012 totaled \$595,940.

**Note 9. Restatement**

For the year ended June 30, 2010, certain changes have been made to a beginning balance of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of the restated beginning balance.

<u>Fund Name</u>	<u>Balance as of June 30, 2010</u>	<u>Prior Period Adjustment</u>	<u>Balance as of July 1, 2010</u>
Payroll	<u>\$ 187,415</u>	<u>\$ 27,440</u>	<u>\$ 214,855</u>

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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 approved by management of the School Corporation. It is presented as intended by the School Corporation.

TRITON 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	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 253,737	\$ 111,103	\$ 24,888	\$ 634,580	\$ 247,135	\$ 78,579
Receipts:						
Local sources	58,787	351,927	198,396	808,015	518,015	204,313
Intermediate sources	540	-	-	-	-	-
State sources	6,171,936	-	-	-	8,814	-
Federal sources	4,098	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>6,235,361</u>	<u>351,927</u>	<u>198,396</u>	<u>808,015</u>	<u>526,829</u>	<u>204,313</u>
Disbursements:						
Current:						
Instruction	4,545,855	-	-	-	-	-
Support services	1,706,495	-	-	473,138	476,513	74,122
Noninstructional services	147,980	-	-	-	-	-
Facilities acquisition and construction	-	-	-	334,358	-	-
Debt services	-	78,322	187,761	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>6,400,330</u>	<u>78,322</u>	<u>187,761</u>	<u>807,496</u>	<u>476,513</u>	<u>74,122</u>
Excess (deficiency) of receipts over disbursements	<u>(164,969)</u>	<u>273,605</u>	<u>10,635</u>	<u>519</u>	<u>50,316</u>	<u>130,191</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	11,546	-
Transfers out	(221)	-	-	-	-	-
Total other financing sources (uses)	<u>(221)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,546</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(165,190)</u>	<u>273,605</u>	<u>10,635</u>	<u>519</u>	<u>61,862</u>	<u>130,191</u>
Cash and investments - ending	<u>\$ 88,547</u>	<u>\$ 384,708</u>	<u>\$ 35,523</u>	<u>\$ 635,099</u>	<u>\$ 308,997</u>	<u>\$ 208,770</u>

TRITON 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)

	Rainy Day	Retirement/ Severance Bond	Construction 2010A Lease	Construction 2010B QSCB	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 87,000	\$ 5,518	\$ -	\$ -	\$ 202,636	\$ 22,765
Receipts:						
Local sources	-	-	-	-	432,238	56,028
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	38,998
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	95,000	42,000	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>42,000</u>	<u>432,238</u>	<u>95,026</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	20,000	1,150	-	-	-	126,930
Noninstructional services	-	-	-	-	436,726	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>20,000</u>	<u>1,150</u>	<u>-</u>	<u>-</u>	<u>436,726</u>	<u>126,930</u>
Excess (deficiency) of receipts over disbursements	<u>(20,000)</u>	<u>(1,150)</u>	<u>95,000</u>	<u>42,000</u>	<u>(4,488)</u>	<u>(31,904)</u>
Other financing sources (uses):						
Transfers in	4,368	-	-	-	-	-
Transfers out	-	(4,368)	-	-	-	-
Total other financing sources (uses)	<u>4,368</u>	<u>(4,368)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(15,632)</u>	<u>(5,518)</u>	<u>95,000</u>	<u>42,000</u>	<u>(4,488)</u>	<u>(31,904)</u>
Cash and investments - ending	<u>\$ 71,368</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 42,000</u>	<u>\$ 198,148</u>	<u>\$ (9,139)</u>

TRITON 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)

	Levy Excess	Early Intervention Grant	Marshall County Community Foundation	Instructional Support	Education Technology	Non-English Speaking Program
Cash and investments - beginning	\$ 2,714	\$ -	\$ 293	\$ 15,704	\$ 5,633	\$ 3,545
Receipts:						
Local sources	8,832	-	150	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	29,238	-	4,237
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>8,832</u>	<u>-</u>	<u>150</u>	<u>29,238</u>	<u>-</u>	<u>4,237</u>
Disbursements:						
Current:						
Instruction	-	-	-	39,296	-	3,588
Support services	-	-	-	-	16,088	3,736
Noninstructional services	-	-	374	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>374</u>	<u>39,296</u>	<u>16,088</u>	<u>7,324</u>
Excess (deficiency) of receipts over disbursements	<u>8,832</u>	<u>-</u>	<u>(224)</u>	<u>(10,058)</u>	<u>(16,088)</u>	<u>(3,087)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(11,546)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,546)</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>(2,714)</u>	<u>-</u>	<u>(224)</u>	<u>(10,058)</u>	<u>(16,088)</u>	<u>(3,087)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69</u>	<u>\$ 5,646</u>	<u>\$ (10,455)</u>	<u>\$ 458</u>

TRITON 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)

	School Technology	Excess PTRC Distributions	Title I 2007-2008	Title I 2008-2009	Title I 2009-2010	Title I 2010-2011
Cash and investments - beginning	\$ 9,668	\$ -	\$ 2,060	\$ (586)	\$ 6,426	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	13,701	-	-	-	-	-
Federal sources	-	-	-	-	4,296	81,450
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>13,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,296</u>	<u>81,450</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	7,364	94,687
Support services	-	-	1,474	-	109	346
Noninstructional services	-	-	-	-	1,262	75
Facilities acquisition and construction	19,217	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>19,217</u>	<u>-</u>	<u>1,474</u>	<u>-</u>	<u>8,735</u>	<u>95,108</u>
Excess (deficiency) of receipts over disbursements	<u>(5,516)</u>	<u>-</u>	<u>(1,474)</u>	<u>-</u>	<u>(4,439)</u>	<u>(13,658)</u>
Other financing sources (uses):						
Transfers in	-	-	-	586	-	1,987
Transfers out	-	-	(586)	-	(1,987)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(586)</u>	<u>586</u>	<u>(1,987)</u>	<u>1,987</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,516)</u>	<u>-</u>	<u>(2,060)</u>	<u>586</u>	<u>(6,426)</u>	<u>(11,671)</u>
Cash and investments - ending	<u>\$ 4,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,671)</u>

TRITON 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 I 2011-2012	IDEA, Part B Technology Grant	Drug Free Schools 2008-2009	Drug Free Schools 2009-2010	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction
Cash and investments - beginning	\$ -	\$ -	\$ 1,065	\$ 3,408	\$ 30,165	\$ 3,539
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	1,065	2,143	44,597	4,975
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	1,065	2,143	44,597	4,975
Excess (deficiency) of receipts over disbursements	-	-	(1,065)	(2,143)	(44,597)	(4,975)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,065)	(2,143)	(44,597)	(4,975)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,265	\$ (14,432)	\$ (1,436)

TRITON 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)

	Reading First No Child Left Behind	Title I Grants to LEAs ARRA	Education Jobs	School Lunch Reimbursements Clearing Account	Payroll	Totals
Cash and investments - beginning	\$ (15,517)	\$ (13,336)	\$ -	\$ -	\$ 214,855	\$ 1,937,577
Receipts:						
Local sources	-	-	-	-	-	2,636,701
Intermediate sources	-	-	-	-	-	540
State sources	-	-	-	5,741	-	6,272,665
Federal sources	113,302	30,392	-	209,110	-	442,648
Temporary loans	-	-	-	-	-	137,000
Other	-	-	-	-	1,935,707	1,935,707
Total receipts	<u>113,302</u>	<u>30,392</u>	<u>-</u>	<u>214,851</u>	<u>1,935,707</u>	<u>11,425,261</u>
Disbursements:						
Current:						
Instruction	89,726	17,277	-	-	-	4,850,573
Support services	-	-	-	-	-	2,900,101
Noninstructional services	-	-	-	-	-	586,417
Facilities acquisition and construction	-	-	-	-	-	353,575
Debt services	-	-	-	-	-	266,083
Nonprogrammed charges	-	-	-	214,851	1,957,435	2,172,286
Total disbursements	<u>89,726</u>	<u>17,277</u>	<u>-</u>	<u>214,851</u>	<u>1,957,435</u>	<u>11,129,035</u>
Excess (deficiency) of receipts over disbursements	<u>23,576</u>	<u>13,115</u>	<u>-</u>	<u>-</u>	<u>(21,728)</u>	<u>296,226</u>
Other financing sources (uses):						
Transfers in	-	221	-	-	-	18,708
Transfers out	-	-	-	-	-	(18,708)
Total other financing sources (uses)	<u>-</u>	<u>221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>23,576</u>	<u>13,336</u>	<u>-</u>	<u>-</u>	<u>(21,728)</u>	<u>296,226</u>
Cash and investments - ending	<u>\$ 8,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,127</u>	<u>\$ 2,233,803</u>

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 88,547	\$ 384,708	\$ 35,523	\$ 635,099	\$ 308,997	\$ 208,770
Receipts:						
Local sources	49,556	653,134	203,808	727,271	531,892	79,571
Intermediate sources	356	-	-	-	-	-
State sources	6,065,744	-	-	-	4,637	-
Federal sources	4,098	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>6,119,754</u>	<u>653,134</u>	<u>203,808</u>	<u>727,271</u>	<u>536,529</u>	<u>79,571</u>
Disbursements:						
Current:						
Instruction	4,439,990	-	-	-	-	-
Support services	1,786,670	-	-	528,268	498,847	127,230
Noninstructional services	150,035	-	-	-	-	-
Facilities acquisition and construction	-	-	-	410,621	-	-
Debt services	-	680,572	185,044	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>6,376,695</u>	<u>680,572</u>	<u>185,044</u>	<u>938,889</u>	<u>498,847</u>	<u>127,230</u>
Excess (deficiency) of receipts over disbursements	<u>(256,941)</u>	<u>(27,438)</u>	<u>18,764</u>	<u>(211,618)</u>	<u>37,682</u>	<u>(47,659)</u>
Cash and investments - ending	<u>\$ (168,394)</u>	<u>\$ 357,270</u>	<u>\$ 54,287</u>	<u>\$ 423,481</u>	<u>\$ 346,679</u>	<u>\$ 161,111</u>

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Construction 2010A Lease	Construction 2010B QSCB	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 71,368	\$ -	\$ 95,000	\$ 42,000	\$ 198,148	\$ (9,139)
Receipts:						
Local sources	-	-	-	-	487,553	55,855
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	33,518
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	487,553	89,373
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	20,000	-	-	-	-	138,164
Noninstructional services	-	-	-	-	409,763	-
Facilities acquisition and construction	11,910	-	68,593	24,675	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	31,910	-	68,593	24,675	409,763	138,164
Excess (deficiency) of receipts over disbursements	(31,910)	-	(68,593)	(24,675)	77,790	(48,791)
Cash and investments - ending	\$ 39,458	\$ -	\$ 26,407	\$ 17,325	\$ 275,938	\$ (57,930)

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Levy Excess	Early Intervention Grant	Marshall County Community Foundation	Instructional Support	Education Technology	Non-English Speaking Program
Cash and investments - beginning	\$ -	\$ -	\$ 69	\$ 5,646	\$ (10,455)	\$ 458
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	43,706	-	28,158	104,046	3,324
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	43,706	-	28,158	104,046	3,324
Disbursements:						
Current:						
Instruction	-	18,018	-	10,629	-	-
Support services	-	-	-	-	93,591	1,194
Noninstructional services	-	-	69	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	18,018	69	10,629	93,591	1,194
Excess (deficiency) of receipts over disbursements	-	25,688	(69)	17,529	10,455	2,130
Cash and investments - ending	\$ -	\$ 25,688	\$ -	\$ 23,175	\$ -	\$ 2,588

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	School Technology	Excess PTRC Distributions	Title I 2007-2008	Title I 2008-2009	Title I 2009-2010	Title I 2010-2011
Cash and investments - beginning	\$ 4,152	\$ -	\$ -	\$ -	\$ -	\$ (11,671)
Receipts:						
Local sources	-	8,697	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	13,218	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>13,218</u>	<u>8,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	317
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	7,813	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>7,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317</u>
Excess (deficiency) of receipts over disbursements	<u>5,405</u>	<u>8,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(317)</u>
Cash and investments - ending	<u>\$ 9,557</u>	<u>\$ 8,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,988)</u>

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Title I 2011-2012	IDEA, Part B Technology Grant	Drug Free Schools 2008-2009	Drug Free Schools 2009-2010	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,265	\$ (14,432)	\$ (1,436)
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	74,783	70,000	-	308	48,807	4,900
Other	-	-	-	-	-	-
Total receipts	<u>74,783</u>	<u>70,000</u>	<u>-</u>	<u>308</u>	<u>48,807</u>	<u>4,900</u>
Disbursements:						
Current:						
Instruction	124,942	-	-	1,573	46,229	4,573
Support services	-	63,621	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>124,942</u>	<u>63,621</u>	<u>-</u>	<u>1,573</u>	<u>46,229</u>	<u>4,573</u>
Excess (deficiency) of receipts over disbursements	<u>(50,159)</u>	<u>6,379</u>	<u>-</u>	<u>(1,265)</u>	<u>2,578</u>	<u>327</u>
Cash and investments - ending	<u>\$ (50,159)</u>	<u>\$ 6,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,854)</u>	<u>\$ (1,109)</u>

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Reading First No Child Left Behind	Title I Grants to LEAs ARRA	Education Jobs	School Lunch Reimbursements Clearing Account	Payroll	Totals
Cash and investments - beginning	\$ 8,059	\$ -	\$ -	\$ -	\$ 193,127	\$ 2,233,803
Receipts:						
Local sources	-	-	-	-	-	2,797,337
Intermediate sources	-	-	-	-	-	356
State sources	-	-	-	5,834	-	6,302,185
Federal sources	30,120	-	105,066	268,706	-	606,788
Other	-	-	-	-	1,904,768	1,904,768
Total receipts	<u>30,120</u>	<u>-</u>	<u>105,066</u>	<u>274,540</u>	<u>1,904,768</u>	<u>11,611,434</u>
Disbursements:						
Current:						
Instruction	38,179	-	61,146	-	-	4,745,596
Support services	-	-	33,585	-	-	3,291,170
Noninstructional services	-	-	10,335	-	-	570,202
Facilities acquisition and construction	-	-	-	-	-	523,612
Debt services	-	-	-	-	-	865,616
Nonprogrammed charges	-	-	-	247,782	1,929,881	2,177,663
Total disbursements	<u>38,179</u>	<u>-</u>	<u>105,066</u>	<u>247,782</u>	<u>1,929,881</u>	<u>12,173,859</u>
Excess (deficiency) of receipts over disbursements	<u>(8,059)</u>	<u>-</u>	<u>-</u>	<u>26,758</u>	<u>(25,113)</u>	<u>(562,425)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,758</u>	<u>\$ 168,014</u>	<u>\$ 1,671,378</u>

TRITON SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
JUNE 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Triton School Building Corporation	Building Improvements	<u>\$ 595,750</u>	07-15-11	07-15-14

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable:			
Common School Loan #A1382	Technology	\$ 83,349	\$ 43,029
Common School Loan #A1520	Technology	97,700	33,373
General obligation bonds	Pension obligation	510,000	186,750
Capital lease 2010	Building improvements	<u>1,430,000</u>	<u>595,750</u>
Totals		<u>\$ 2,121,049</u>	<u>\$ 858,901</u>

TRITON SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
JUNE 30, 2012

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>Ending Balance</u>
Governmental activities:	
Land	\$ 1,775,000
Buildings	30,430,500
Improvements other than buildings	405,000
Machinery, equipment, and vehicles	<u>3,683,800</u>
Total capital assets	<u>\$ 36,294,300</u>

TRITON SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**APPROPRIATIONS**

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Debt Service	2011	<u>\$ 1,764</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**OVERDRAWN FUND BALANCES**

The fund balances of the Textbook Rental Fund and Education Technology Fund were overdrawn \$9,139 and \$10,455, respectively, at June 30, 2011.

The fund balances of the Textbook Rental Fund and General Fund were overdrawn \$57,930 and \$168,394, respectively, at June 30, 2012.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TRITON SCHOOL CORPORATION, MARSHALL COUNTY, INDIANA

Compliance

We have audited Triton School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program 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 could have a direct and material effect on its major federal program for the period of July 1, 2010 to June 30, 2012.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

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 Audit Results and Comments identified in our audit is described in the accompanying Official Response. 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

December 17, 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.

TRITON SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 32,525	\$ 47,661
National School Lunch Program	10.555		196,567	250,332
Summer Food Service Program for Children	10.559		<u>9,183</u>	<u>5,553</u>
Total for federal grantor agency			<u>238,275</u>	<u>303,546</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	FY 08	1,474	-
		FY 10	8,735	-
		FY 11	95,108	317
		FY 12	<u>-</u>	<u>124,942</u>
Total for program			<u>105,317</u>	<u>125,259</u>
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	ARRA 10-5495	<u>17,056</u>	<u>-</u>
Total for cluster			<u>122,373</u>	<u>125,259</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027		<u>-</u>	<u>63,621</u>
Assistive Technology Grant				
Total for cluster			<u>-</u>	<u>63,621</u>
Career and Technical Education - Basic Grants to States	84.048		<u>4,098</u>	<u>4,098</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 11	1,065	-
		FY 12	<u>2,143</u>	<u>1,573</u>
Total for program			<u>3,208</u>	<u>1,573</u>
Reading First State Grants	84.357		<u>89,725</u>	<u>38,179</u>
English Language Acquisition State Grants	84.365		<u>4,975</u>	<u>4,573</u>
Improving Teacher Quality State Grants	84.367		<u>44,597</u>	<u>46,229</u>
Education Jobs Fund	84.410		<u>-</u>	<u>105,066</u>
Total for federal grantor agency			<u>268,976</u>	<u>452,219</u>
Total federal awards expended			<u>\$ 507,251</u>	<u>\$ 692,144</u>

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

TRITON 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 Triton 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, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
National School Lunch Program	10.555	\$ 29,165	\$ 34,839



TRITON SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2012, with Janet Barker, Treasurer; Donna J. Burroughs, Superintendent of Schools; and Teresa Barnhart, School Board member. The Official Response has been made a part of this report and may be found on pages 42 and 43.



Triton School Corporation  
100 Triton Drive  
Bourbon, IN 46504  
Donna Burroughs, Superintendent  
Phone: 574-342-2255

December 18, 2012

This letter is an official response to the auditor's report for Triton School Corporation on December 17, 2012.

Triton School Corporation has in the past, still does today, and will continue in the future to follow all laws and regulations of the local, state, and federal governments. Any mistakes ever made are honest mistakes that occur from not being informed of the applicable regulations. It is sometimes difficult to keep up with the constant changes.

The suggestions made by the auditors will be heeded in the future, as always. We intend to comply.

I wish to explain the comments of concern that were noted in this report that covered the 2011-2012 school year in the event a constituent should have questions about the report.

The treasurer neglected to ask for an additional appropriation to the Debt Service Fund in 2011 because she was not aware of the extra interest charge that occurred in the Debt Service Fund. That has never happened before and we will watch for this so that it does not occur in the future.

The Textbook Rental Fund has run in the negative for several years because the cost of adopting books is never fully recouped since the state reimburses a maximum of \$75 per free and reduced student and the fees are always larger than that amount. Our numbers of students qualifying for free and reduced textbooks has also risen over the last few years. The new textbook adoption law does not require a new adoption every year now, and we are looking at alternative resources to use in the classroom.

The checks for teachers in the summer (July and August pay periods) are usually written out by the end of June. Because our general fund has decreased every year for the last few years, our June cash balance has also dwindled every year. Usually the July and August checks could be covered with the excess in the general fund at the end of June. In 2012, there were no excess funds at the end of June and the general fund account became overdrawn in trying to cover those pay periods. The checks were not actually given out at the end of June, so on paper the account was overdrawn, but the actual funds in the bank account were still in the black.

Delay in payments from the state and the county also contribute to challenges with the cash flow for schools.

Respectfully,

Donna Burroughs

Superintendent of Triton School Corporation