

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TAYLOR COMMUNITY SCHOOL CORPORATION  
HOWARD COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
03/15/2013



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Deborah Barton	07-01-10 to 12-31-13
Superintendent of Schools	Dr. John Magers	07-01-10 to 12-31-13
President of the School Board	Dennis Marler	07-01-10 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TAYLOR COMMUNITY SCHOOL  
CORPORATION, HOWARD COUNTY, INDIANA

We have audited the accompanying financial statement of the Taylor Community 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 February 18, 2013, 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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.



Bruce Hartman  
State Examiner

February 18, 2013



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 TAYLOR COMMUNITY SCHOOL  
CORPORATION, HOWARD COUNTY, INDIANA

We have audited the financial statement of the Taylor Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 18, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America. 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 findings 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 it.

This report is intended solely for the information and use of the School Corporation's management, the 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.



Bruce Hartman  
State Examiner

February 18, 2013

## 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.

TAYLOR COMMUNITY 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 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	1,588,191	9,507,949	10,163,688	(255,000)	677,452	9,104,903	8,793,770	(229,500)	759,085
Debt Service	1,001,155	1,640,323	1,671,299	-	970,179	1,642,286	1,775,821	-	836,644
Retirement/Severance Bond Debt Service	222,098	365,310	388,028	-	199,380	382,762	384,743	-	197,399
Capital Projects	578,976	1,262,510	1,399,277	-	442,209	1,111,068	1,340,931	-	212,346
School Transportation	285,098	923,680	946,205	19,239	281,812	933,965	897,931	-	317,846
School Bus Replacement	107,974	76,990	90,196	-	94,768	60,877	-	-	155,645
Special Education Preschool	-	-	-	-	-	-	-	-	-
Rainy Day	380,601	-	-	-	380,601	-	-	-	380,601
Post-Retirement/Severance Future Benefits	63,018	-	94,129	255,000	223,889	-	102,000	229,500	351,389
Construction	-	-	499,538	500,000	462	51,110	55,309	3,737	-
School Lunch	90,947	620,437	642,513	-	68,871	617,299	572,697	-	113,473
Textbook Rental	(204,690)	171,951	153,619	-	(186,358)	217,403	154,481	-	(123,436)
Levy Excess	19,918	-	679	(19,239)	-	-	-	-	-
Educational License Plates	6,871	188	-	-	7,059	113	-	-	7,172
School Library Printed Material	-	-	-	-	-	2,000	1,860	-	140
Donations for Employee Lunch	272	-	272	-	-	-	-	-	-
School Improvement	1,625	-	1,625	-	-	-	-	-	-
Donations for Tech Ed	-	100	100	-	-	-	-	-	-
Inst. Support Special Ed Equip	542	-	-	-	542	-	-	-	542
Rainbow Gold At Both Ends - THS	300	-	-	-	300	-	-	-	300
CAAVES Study Grant	493	-	166	-	327	-	-	-	327
Purdue High School FACS Grant	861	-	624	-	237	-	213	-	24
Novanet Credit Recovery	3,125	(2,328)	163	-	634	2,085	2,420	-	299
Duke Energy Foundation Grant	-	2,000	1,435	-	565	-	565	-	-
Kokomo Grant Reimbursement	-	3,262	3,262	-	-	-	-	-	-
TPS PE Equip	-	-	-	-	-	-	-	97	97
Heroes Food Pantry	-	-	-	-	-	-	-	-	-
Heroes Federal Grant	-	-	-	-	-	-	-	-	-
Mary Wooldridge Scholarship 2011	1,157	272	500	-	929	7	-	(936)	-
E Karavitis English Scholarship 2011	239	264	500	3	6	-	-	(6)	-
Taylor Scholarship Fund 2011	420	10,293	9,500	(3)	1,210	6	-	(1,216)	-
Mary Wooldridge Scholarship 2012	-	-	-	-	-	275	500	936	711
E Karavitis English Scholarship 2012	-	-	-	-	-	525	500	6	31
Taylor Scholarship Fund	-	-	-	-	-	4,845	5,033	1,216	1,028
Savannah Gragg Scholarship	-	-	-	-	-	959	-	-	959
SADD Grant	-	-	-	-	-	-	-	-	-
Titans of Taylor	-	540	540	-	-	960	960	-	-

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

TAYLOR COMMUNITY 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  
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
New Tech Cell Grant	75,000	-	74,993	-	7	14,784	14,791	-	-
High Ability Grant 2011-2012	-	-	-	-	-	29,707	21,699	-	8,008
Library	1,039	634	998	-	675	235	729	-	181
State High Ability Grant	5,711	-	5,711	-	-	-	-	-	-
High Ability Grant 2010-2011	-	30,807	25,194	-	5,613	-	5,613	-	-
Kroger Grant	256	-	-	-	256	-	-	-	256
Woodrow Wilson Natl. Fell Grant	-	15,000	15,000	-	-	1,244	1,244	-	-
Education Technology	-	-	-	-	-	43,810	43,810	-	-
Robo-Titans	272	-	272	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	-	1,603	1,603	-	-	1,173	1,164	-	9
School Technology	-	5,590	4,193	-	1,397	5,096	5,220	-	1,273
Technology Plan Grant - Program	9,121	-	7,053	-	2,068	15,843	10,607	250	7,554
IN Respect Grant 2008-09	-	-	-	-	-	-	-	-	-
School Trust of Indiana	27,800	-	26,200	-	1,600	5,508	6,102	-	1,006
Title I 2008-2009	-	-	-	-	-	-	-	-	-
Title I 2009-2010	10,992	15,000	23,140	(2,852)	-	-	-	-	-
Title I 2010-2011	-	160,933	168,635	2,852	(4,850)	39,086	34,236	-	-
Title I 2011-2012	-	-	-	-	-	258,688	263,542	-	(4,854)
P.L. Innovative Education Program Strategies Titl	-	-	-	-	-	-	-	-	-
Assistive Technology for KASEC	-	-	-	-	-	60,454	60,454	-	-
Drug Free Schools	-	-	-	-	-	-	-	-	-
Title IV A Safe & Drug Free	-	5,032	5,032	-	-	777	777	-	-
Indiana Tech Prep Grant	-	20,000	21,972	-	(1,972)	14,998	13,026	-	-
Project Lead The Way	174	-	39	-	135	-	135	-	-
Title II, Part A	(7,660)	107,086	99,242	-	184	35,061	35,245	-	-
English Language ACQ & Enhance	-	2,151	2,151	-	-	-	-	-	-
Fiscal Stabilization - Education	-	-	-	-	-	-	-	-	-
Title I - Grants to LEAs	15,212	52,941	68,086	-	67	20,057	20,124	-	-
Special Education - Part B	34	162,474	163,343	-	(835)	11,023	10,188	-	-
Special Education - Part B - Preschool	1,085	3,380	4,930	-	(465)	3,123	2,658	-	-
School Lunch Equipment	-	-	9,193	-	(9,193)	9,193	-	-	-
Education Jobs	-	24,039	22,252	-	1,787	219,932	232,454	-	(10,735)
Payroll Withholding Clearing	47,785	2,943,922	2,922,462	-	69,245	2,546,860	2,507,763	-	108,342
<b>Totals</b>	<b>\$ 4,336,012</b>	<b>\$ 18,134,333</b>	<b>\$ 19,739,552</b>	<b>\$ 500,000</b>	<b>\$ 3,230,793</b>	<b>\$ 17,470,100</b>	<b>\$ 17,381,315</b>	<b>\$ 4,084</b>	<b>\$ 3,323,662</b>

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

TAYLOR 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.

*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 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 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.

TAYLOR COMMUNITY 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 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, 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 include the following:

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

TAYLOR COMMUNITY 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.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

TAYLOR COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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.

TAYLOR COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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:

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.

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

## 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.

TAYLOR 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	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 1,588,191	\$ 1,001,155	\$ 222,098	\$ 578,976	\$ 285,098	\$ 107,974	\$ -	\$ 380,601	\$ 63,018
Receipts:									
Local sources	127,626	1,598,815	365,310	1,008,431	657,388	76,990	-	-	-
Intermediate sources	15	-	-	-	-	-	-	-	-
State sources	9,372,633	41,508	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	248,353	266,041	-	-	-	-
Other	7,675	-	-	5,726	251	-	-	-	-
Total receipts	9,507,949	1,640,323	365,310	1,262,510	923,680	76,990	-	-	-
Disbursements:									
Current:									
Instruction	6,995,478	-	-	-	-	-	-	-	94,129
Support services	3,033,760	-	-	696,482	682,859	90,196	-	-	-
Noninstructional services	134,450	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	557,158	862	-	-	-	-
Debt services	-	1,671,299	388,028	145,637	262,484	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,163,688	1,671,299	388,028	1,399,277	946,205	90,196	-	-	94,129
Excess (deficiency) of receipts over disbursements	(655,739)	(30,976)	(22,718)	(136,767)	(22,525)	(13,206)	-	-	(94,129)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	55,000	119,239	-	-	155,000	255,000
Transfers out	(255,000)	-	-	(55,000)	(100,000)	-	-	(155,000)	-
Total other financing sources (uses)	(255,000)	-	-	-	19,239	-	-	-	255,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(910,739)	(30,976)	(22,718)	(136,767)	(3,286)	(13,206)	-	-	160,871
Cash and investments - ending	\$ 677,452	\$ 970,179	\$ 199,380	\$ 442,209	\$ 281,812	\$ 94,768	\$ -	\$ 380,601	\$ 223,889

TAYLOR 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)

	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	School Library Printed Material	Donations For Employee Lunch	School Improvement	Donations For Tech Ed
Cash and investments - beginning	\$ -	\$ 90,947	\$ (204,690)	\$ 19,918	\$ 6,871	\$ -	\$ 272	\$ 1,625	\$ -
Receipts:									
Local sources	-	294,109	99,871	-	-	-	-	-	100
Intermediate sources	-	-	-	-	188	-	-	-	-
State sources	-	5,112	72,080	-	-	-	-	-	-
Federal sources	-	317,615	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	3,601	-	-	-	-	-	-	-
Total receipts	-	620,437	171,951	-	188	-	-	-	100
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	1,999	-
Support services	-	329	153,619	679	-	-	272	(374)	100
Noninstructional services	-	642,184	-	-	-	-	-	-	-
Facilities acquisition and construction	499,538	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	499,538	642,513	153,619	679	-	-	272	1,625	100
Excess (deficiency) of receipts over disbursements	(499,538)	(22,076)	18,332	(679)	188	-	(272)	(1,625)	-
Other financing sources (uses):									
Proceeds of long-term debt	500,000	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(19,239)	-	-	-	-	-
Total other financing sources (uses)	500,000	-	-	(19,239)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	462	(22,076)	18,332	(19,918)	188	-	(272)	(1,625)	-
Cash and investments - ending	\$ 462	\$ 68,871	\$ (186,358)	\$ -	\$ 7,059	\$ -	\$ -	\$ -	\$ -

TAYLOR 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)

	Inst. Support Special Ed Equip	Rainbow Gold at Both Ends - THS	CAAVES Study Grant	Purdue High School FACS Grant	Novanet Credit Recovery	Duke Energy Foundation Grant	Kokomo Grant Reimbursement	TPS PE Equip	Heroes Food Pantry
Cash and investments - beginning	\$ 542	\$ 300	\$ 493	\$ 861	\$ 3,125	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	2,000	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	3,262	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(2,328)	-	-	-	-
Total receipts	-	-	-	-	(2,328)	2,000	3,262	-	-
Disbursements:									
Current:									
Instruction	-	-	166	624	-	1,435	3,262	-	-
Support services	-	-	-	-	163	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	166	624	163	1,435	3,262	-	-
Excess (deficiency) of receipts over disbursements	-	-	(166)	(624)	(2,491)	565	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(166)	(624)	(2,491)	565	-	-	-
Cash and investments - ending	\$ 542	\$ 300	\$ 327	\$ 237	\$ 634	\$ 565	\$ -	\$ -	\$ -

TAYLOR 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)

	Heroes Federal Grant	Mary Woolridge Scholarship 2011	E Karavitis English Scholarship 2011	Taylor Scholarship Fund 2011	Mary Woolridge Scholarship 2012	E Karavitis English Scholarship 2012	Taylor Scholarship Fund	Savannah Gragg Scholarship	SADD Grant
Cash and investments - beginning	\$ -	\$ 1,157	\$ 239	\$ 420	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	272	264	10,293	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	272	264	10,293	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	500	500	9,500	-	-	-	-	-
Total disbursements	-	500	500	9,500	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(228)	(236)	793	-	-	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	3	-	-	-	-	-	-
Transfers out	-	-	-	(3)	-	-	-	-	-
Total other financing sources (uses)	-	-	3	(3)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(228)	(233)	790	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 929	\$ 6	\$ 1,210	\$ -	\$ -	\$ -	\$ -	\$ -

TAYLOR 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)

	Titans of Taylor	New Tech Cell Grant	High Ability Grant 2011-2012	Library	State High Ability Grant	High Ability Grant 2010-2011	Kroger Grant
Cash and investments - beginning	\$ -	\$ 75,000	\$ -	\$ 1,039	\$ 5,711	\$ -	\$ 256
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	30,807	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	540	-	-	634	-	-	-
Total receipts	540	-	-	634	-	30,807	-
Disbursements:							
Current:							
Instruction	-	44,950	-	-	5,711	25,194	-
Support services	-	-	-	998	-	-	-
Noninstructional services	540	-	-	-	-	-	-
Facilities acquisition and construction	-	30,043	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	540	74,993	-	998	5,711	25,194	-
Excess (deficiency) of receipts over disbursements	-	(74,993)	-	(364)	(5,711)	5,613	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(74,993)	-	(364)	(5,711)	5,613	-
Cash and investments - ending	\$ -	\$ 7	\$ -	\$ 675	\$ -	\$ 5,613	\$ 256

TAYLOR 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)

	Woodrow Wilson Natl. Fell Grant	Education Technology	Robo-Titans	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Plan Grant - Program	IN Respect Grant 2008-09
Cash and investments - beginning	\$ -	\$ -	\$ 272	\$ -	\$ -	\$ 9,121	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	15,000	-	-	-	-	-	-
State sources	-	-	-	1,603	5,590	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	15,000	-	-	1,603	5,590	-	-
Disbursements:							
Current:							
Instruction	15,000	-	272	1,603	-	-	-
Support services	-	-	-	-	4,193	2,474	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	4,579	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	15,000	-	272	1,603	4,193	7,053	-
Excess (deficiency) of receipts over disbursements	-	-	(272)	-	1,397	(7,053)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(272)	-	1,397	(7,053)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 1,397	\$ 2,068	\$ -

TAYLOR 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)

	School Trust of Indiana	Title I 2008-2009	Title I 2009-2010	Title I 2010-2011	Title I 2011-2012	P. L. Innovative Education Program Strategies Title V (Part A)	Assistive Technology for KASEC
Cash and investments - beginning	\$ 27,800	\$ -	\$ 10,992	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	15,000	160,933	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	15,000	160,933	-	-	-
Disbursements:							
Current:							
Instruction	-	-	23,140	165,635	-	-	-
Support services	26,200	-	-	3,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	26,200	-	23,140	168,635	-	-	-
Excess (deficiency) of receipts over disbursements	(26,200)	-	(8,140)	(7,702)	-	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	2,852	-	-	-
Transfers out	-	-	(2,852)	-	-	-	-
Total other financing sources (uses)	-	-	(2,852)	2,852	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,200)	-	(10,992)	(4,850)	-	-	-
Cash and investments - ending	\$ 1,600	\$ -	\$ -	\$ (4,850)	\$ -	\$ -	\$ -

TAYLOR 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)

	Drug Free Schools	Title IV A Safe & Drug Free	Indiana Tech Prep Grant	Project Lead The Way	Title II, Part A	English Language ACQ & Enhance	Fiscal Stabilization - Education
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 174	\$ (7,660)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	2,151	-
Federal sources	-	5,032	20,000	-	107,086	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	5,032	20,000	-	107,086	2,151	-
Disbursements:							
Current:							
Instruction	-	-	21,972	-	99,242	2,151	-
Support services	-	5,032	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	39	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	5,032	21,972	39	99,242	2,151	-
Excess (deficiency) of receipts over disbursements	-	-	(1,972)	(39)	7,844	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,972)	(39)	7,844	-	-
Cash and investments - ending	\$ -	\$ -	\$ (1,972)	\$ 135	\$ 184	\$ -	\$ -

TAYLOR 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 I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	School Lunch Equipment	Education Jobs	Payroll Withholding Clearing	Totals
Cash and investments - beginning	\$ 15,212	\$ 34	\$ 1,085	\$ -	\$ -	\$ 47,785	\$ 4,336,012
Receipts:							
Local sources	-	-	-	-	-	-	4,239,469
Intermediate sources	-	-	-	-	-	-	17,203
State sources	-	-	-	-	-	-	9,531,484
Federal sources	52,941	162,474	3,380	-	24,039	-	871,762
Temporary loans	-	-	-	-	-	-	514,394
Other	-	-	-	-	-	2,943,922	2,960,021
Total receipts	<u>52,941</u>	<u>162,474</u>	<u>3,380</u>	<u>-</u>	<u>24,039</u>	<u>2,943,922</u>	<u>18,134,333</u>
Disbursements:							
Current:							
Instruction	68,086	163,343	4,930	-	-	-	7,738,322
Support services	-	-	-	-	22,252	-	4,722,234
Noninstructional services	-	-	-	9,193	-	-	786,367
Facilities acquisition and construction	-	-	-	-	-	-	1,092,219
Debt services	-	-	-	-	-	-	2,467,448
Nonprogrammed charges	-	-	-	-	-	2,922,462	2,932,962
Total disbursements	<u>68,086</u>	<u>163,343</u>	<u>4,930</u>	<u>9,193</u>	<u>22,252</u>	<u>2,922,462</u>	<u>19,739,552</u>
Excess (deficiency) of receipts over disbursements	<u>(15,145)</u>	<u>(869)</u>	<u>(1,550)</u>	<u>(9,193)</u>	<u>1,787</u>	<u>21,460</u>	<u>(1,605,219)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	500,000
Transfers in	-	-	-	-	-	-	587,094
Transfers out	-	-	-	-	-	-	(587,094)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(15,145)</u>	<u>(869)</u>	<u>(1,550)</u>	<u>(9,193)</u>	<u>1,787</u>	<u>21,460</u>	<u>(1,105,219)</u>
Cash and investments - ending	<u>\$ 67</u>	<u>\$ (835)</u>	<u>\$ (465)</u>	<u>\$ (9,193)</u>	<u>\$ 1,787</u>	<u>\$ 69,245</u>	<u>\$ 3,230,793</u>

TAYLOR 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, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 677,452	\$ 970,179	\$ 199,380	\$ 442,209	\$ 281,812	\$ 94,768	\$ -	\$ 380,601	\$ 223,889
Receipts:									
Local sources	122,193	1,642,286	382,762	775,027	704,031	60,877	-	-	-
Intermediate sources	31	-	-	-	-	-	-	-	-
State sources	8,968,167	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	186,147	229,434	-	-	-	-
Other	14,512	-	-	149,894	500	-	-	-	-
Total receipts	9,104,903	1,642,286	382,762	1,111,068	933,965	60,877	-	-	-
Disbursements:									
Current:									
Instruction	5,728,863	-	-	-	-	-	-	-	102,000
Support services	2,941,587	-	-	537,772	670,005	-	-	-	-
Noninstructional services	123,320	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	554,806	-	-	-	-	-
Debt services	-	1,775,821	384,743	248,353	227,926	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	8,793,770	1,775,821	384,743	1,340,931	897,931	-	-	-	102,000
Excess (deficiency) of receipts over disbursements	311,133	(133,535)	(1,981)	(229,863)	36,034	60,877	-	-	(102,000)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	229,500
Transfers out	(229,500)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(229,500)	-	-	-	-	-	-	-	229,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	81,633	(133,535)	(1,981)	(229,863)	36,034	60,877	-	-	127,500
Cash and investments - ending	\$ 759,085	\$ 836,644	\$ 197,399	\$ 212,346	\$ 317,846	\$ 155,645	\$ -	\$ 380,601	\$ 351,389

TAYLOR 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, 2012  
 (Continued)

	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	School Library Printed Material	Donations For Employee Lunch	School Improvement	Donations For Tech Ed
Cash and investments - beginning	\$ 462	\$ 68,871	\$ (186,358)	\$ -	\$ 7,059	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	51,110	292,029	142,203	-	-	-	-	-	-
Intermediate sources	-	-	-	-	113	-	-	-	-
State sources	-	-	46,738	-	-	2,000	-	-	-
Federal sources	-	323,853	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	1,417	28,462	-	-	-	-	-	-
Total receipts	51,110	617,299	217,403	-	113	2,000	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	1,860	-	-	-
Support services	-	479	154,481	-	-	-	-	-	-
Noninstructional services	-	572,218	-	-	-	-	-	-	-
Facilities acquisition and construction	55,309	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	55,309	572,697	154,481	-	-	1,860	-	-	-
Excess (deficiency) of receipts over disbursements	(4,199)	44,602	62,922	-	113	140	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	3,737	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,737	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(462)	44,602	62,922	-	113	140	-	-	-
Cash and investments - ending	\$ -	\$ 113,473	\$ (123,436)	\$ -	\$ 7,172	\$ 140	\$ -	\$ -	\$ -

TAYLOR 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, 2012  
 (Continued)

	Inst. Support Special Ed Equip	Rainbow Gold at Both Ends - THS	CAAVES Study Grant	Purdue High School FACS Grant	Novanet Credit Recovery	Duke Energy Foundation Grant	Kokomo Grant Reimbursement	TPS PE Equip	Heroes Food Pantry
Cash and investments - beginning	\$ 542	\$ 300	\$ 327	\$ 237	\$ 634	\$ 565	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2,085	-	-	-	-
Total receipts	-	-	-	-	2,085	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	213	2,345	565	-	-	-
Support services	-	-	-	-	75	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	213	2,420	565	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	(213)	(335)	(565)	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	97	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	97	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(213)	(335)	(565)	-	97	-
Cash and investments - ending	\$ 542	\$ 300	\$ 327	\$ 24	\$ 299	\$ -	\$ -	\$ 97	\$ -

TAYLOR 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, 2012  
 (Continued)

	Heroes Federal Grant	Mary Woolridge Scholarship 2011	E Karavitis English Scholarship 2011	Taylor Scholarship Fund 2011	Mary Woolridge Scholarship 2012	E Karavitis English Scholarship 2012	Taylor Scholarship Fund	Savannah Gragg Scholarship	SADD Grant
Cash and investments - beginning	\$ -	\$ 929	\$ 6	\$ 1,210	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	7	-	6	275	525	4,845	959	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	7	-	6	275	525	4,845	959	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	500	500	5,033	-	-
Total disbursements	-	-	-	-	500	500	5,033	-	-
Excess (deficiency) of receipts over disbursements	-	7	-	6	(225)	25	(188)	959	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	936	6	1,216	-	-
Transfers out	-	(936)	(6)	(1,216)	-	-	-	-	-
Total other financing sources (uses)	-	(936)	(6)	(1,216)	936	6	1,216	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(929)	(6)	(1,210)	711	31	1,028	959	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 711	\$ 31	\$ 1,028	\$ 959	\$ -

TAYLOR 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, 2012  
 (Continued)

	Titans of Taylor	New Tech Cell Grant	High Ability Grant 2011-2012	Library	State High Ability Grant	High Ability Grant 2010-2011	Kroger Grant
Cash and investments - beginning	\$ -	\$ 7	\$ -	\$ 675	\$ -	\$ 5,613	\$ 256
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	29,707	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	960	14,784	-	235	-	-	-
Total receipts	960	14,784	29,707	235	-	-	-
Disbursements:							
Current:							
Instruction	-	14,791	21,699	-	-	5,613	-
Support services	-	-	-	729	-	-	-
Noninstructional services	960	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	960	14,791	21,699	729	-	5,613	-
Excess (deficiency) of receipts over disbursements	-	(7)	8,008	(494)	-	(5,613)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
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	-	(7)	8,008	(494)	-	(5,613)	-
Cash and investments - ending	\$ -	\$ -	\$ 8,008	\$ 181	\$ -	\$ -	\$ 256

TAYLOR 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, 2012  
 (Continued)

	Woodrow Wilson Natl. Fell Grant	Education Technology	Robo-Titans	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Plan Grant - Program	IN Respect Grant 2008-09
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,397	\$ 2,068	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	1,244	-	-	-	-	-	-
State sources	-	43,810	-	1,173	5,096	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	15,843	-
Total receipts	<u>1,244</u>	<u>43,810</u>	<u>-</u>	<u>1,173</u>	<u>5,096</u>	<u>15,843</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	1,244	-	-	1,164	-	-	-
Support services	-	43,810	-	-	5,220	2,330	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	8,277	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>1,244</u>	<u>43,810</u>	<u>-</u>	<u>1,164</u>	<u>5,220</u>	<u>10,607</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>(124)</u>	<u>5,236</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	250	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>(124)</u>	<u>5,486</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 1,273</u>	<u>\$ 7,554</u>	<u>\$ -</u>

TAYLOR 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, 2012  
 (Continued)

	School Trust of Indiana	Title I 2008-2009	Title I 2009-2010	Title I 2010-2011	Title I 2011-2012	P. L. Innovative Education Program Strategies Title V (Part A)	Assistive Technology for KASEC
Cash and investments - beginning	\$ 1,600	\$ -	\$ -	\$ (4,850)	\$ -	\$ -	\$ -
Receipts:							
Local sources	5,508	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	39,086	258,688	-	60,454
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>5,508</u>	<u>-</u>	<u>-</u>	<u>39,086</u>	<u>258,688</u>	<u>-</u>	<u>60,454</u>
Disbursements:							
Current:							
Instruction	-	-	-	33,016	209,865	-	60,454
Support services	6,102	-	-	-	53,677	-	-
Noninstructional services	-	-	-	1,220	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>6,102</u>	<u>-</u>	<u>-</u>	<u>34,236</u>	<u>263,542</u>	<u>-</u>	<u>60,454</u>
Excess (deficiency) of receipts over disbursements	<u>(594)</u>	<u>-</u>	<u>-</u>	<u>4,850</u>	<u>(4,854)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(594)</u>	<u>-</u>	<u>-</u>	<u>4,850</u>	<u>(4,854)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,854)</u>	<u>\$ -</u>	<u>\$ -</u>

TAYLOR 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, 2012  
 (Continued)

	Drug Free Schools	Title IV A Safe & Drug Free	Indiana Tech Prep Grant	Project Lead The Way	Title II, Part A	English Language ACQ & Enhance	Fiscal Stabilization - Education
Cash and investments - beginning	\$ -	\$ -	\$ (1,972)	\$ 135	\$ 184	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	777	14,998	-	35,061	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	777	14,998	-	35,061	-	-
Disbursements:							
Current:							
Instruction	-	-	13,026	-	35,245	-	-
Support services	-	777	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	135	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	777	13,026	135	35,245	-	-
Excess (deficiency) of receipts over disbursements	-	-	1,972	(135)	(184)	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
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	-	-	1,972	(135)	(184)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TAYLOR 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, 2012  
 (Continued)

	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	School Lunch Equipment	Education Jobs	Payroll Withholding Clearing	Totals
Cash and investments - beginning	\$ 67	\$ (835)	\$ (465)	\$ (9,193)	\$ 1,787	\$ 69,245	\$ 3,230,793
Receipts:							
Local sources	-	-	-	-	-	-	4,184,643
Intermediate sources	-	-	-	-	-	-	1,388
State sources	-	-	-	-	-	-	9,096,691
Federal sources	20,057	11,023	3,123	9,193	219,932	-	996,245
Temporary loans	-	-	-	-	-	-	415,581
Other	-	-	-	-	-	2,546,860	2,775,552
Total receipts	<u>20,057</u>	<u>11,023</u>	<u>3,123</u>	<u>9,193</u>	<u>219,932</u>	<u>2,546,860</u>	<u>17,470,100</u>
Disbursements:							
Current:							
Instruction	20,124	10,188	2,658	-	173,502	-	6,438,435
Support services	-	-	-	-	58,952	-	4,475,996
Noninstructional services	-	-	-	-	-	-	697,718
Facilities acquisition and construction	-	-	-	-	-	-	618,527
Debt services	-	-	-	-	-	-	2,636,843
Nonprogrammed charges	-	-	-	-	-	2,507,763	2,513,796
Total disbursements	<u>20,124</u>	<u>10,188</u>	<u>2,658</u>	<u>-</u>	<u>232,454</u>	<u>2,507,763</u>	<u>17,381,315</u>
Excess (deficiency) of receipts over disbursements	<u>(67)</u>	<u>835</u>	<u>465</u>	<u>9,193</u>	<u>(12,522)</u>	<u>39,097</u>	<u>88,785</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	3,737
Sale of capital assets	-	-	-	-	-	-	347
Transfers in	-	-	-	-	-	-	231,658
Transfers out	-	-	-	-	-	-	(231,658)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,084</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(67)</u>	<u>835</u>	<u>465</u>	<u>9,193</u>	<u>(12,522)</u>	<u>39,097</u>	<u>92,869</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,735)</u>	<u>\$ 108,342</u>	<u>\$ 3,323,662</u>

TAYLOR COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Capital leases	School building	\$ 10,830,000	\$ 1,661,500
Capital leases	School building	1,940,000	1,400
General obligation bonds	Retirement/Severance bonds	1,540,000	390,399
Notes and loans payable	Temporary tax anticipation loan	402,867	406,690
		-	-
Total governmental activities		<u>\$ 14,712,867</u>	<u>\$ 17,172,856</u>

TAYLOR COMMUNITY 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.

	Ending Balance
Governmental activities:	
Land	\$ 64,787
Infrastructure	
Buildings	29,653,269
Improvements other than buildings	1,531,133
Machinery, equipment and vehicles	1,875,114
Total governmental activities	\$ 33,124,303

TAYLOR COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**OVERDRAWN FUND BALANCES**

The Textbook Rental Fund was overdrawn \$186,358 at June 30, 2011, and \$123,436 at June 30, 2012.

The 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)

**OLD OUTSTANDING CHECKS (WARRANTS)(Applies to Taylor High School/Middle School)**

Our review of the bank reconcilements as of June 30, 2012, revealed checks (warrants) outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

**PRESCRIBED FORMS (Applies to Taylor High School/Middle School)**

The following prescribed or approved forms were not always in use:

1. SA-8 - Used by sponsors to assist in tracking fundraiser and other receipts prior to submission to the Extra-Curricular Treasurer.

TAYLOR COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

2. SA-9 - Used to assist in tracking receipts and estimated revenues from vending machines, concessions, etc.

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 Extra-Curricular Accounts, Chapter 7)

***TRANSFER OF EXTRA-CURRICULAR ACCOUNT FUNDS  
(Applies to Taylor High School/Middle School)***

Funds were transferred from several extra-curricular class funds to the THS Motivational extra-curricular fund. This transfer was to facilitate making partial payments of overdue invoices from the year book vendor. No documentation was presented for audit indicating that a vote was taken of the class members, or class officers, approving these transfers. The transfers were approved by the class sponsor and principal only.

Indiana Code 20-41-1-4(b) states in part: "Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class, or activity."

***EXTRA-CURRICULAR DISBURSEMENTS (Applies to Taylor High School/Middle School and Intermediate School)***

As stated in prior Report B38431, several disbursements did not contain all the information necessary to constitute a valid voucher. We noted two disbursements at the High School and three disbursements at the Intermediate School that did not have sufficient itemized documentation. We noted payments made to contest winners, to purchase products for a fund raiser, and for shipping costs, without any invoices or other supporting documentation. We also noted a reimbursement to an employee with no supporting documentation that the employee had actually incurred the cost.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

***PENALTIES, INTEREST, AND OTHER CHARGES (Applies to Taylor High School/Middle School)***

Information presented for audit indicates that, in some cases, amounts payable to vendors and other suppliers of goods and services were not paid on a timely basis. The High School Yearbook Extra-Curricular Fund owes \$20,550.48, which includes \$3,084.47 in finance charges, as of January 2013. These past due invoices include invoices dated as far back as September 12, 2011. Yearbook invoices paid to date have included finance charges of \$3,470.22 that were waived by the vendor.

Officials and employees have the duty to pay claims in a timely fashion. Failure to pay claims in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

TAYLOR COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

***CONDITION OF RECORDS (Applies to Taylor High School/Middle School)***

Financial records presented for audit were incomplete and not reflective of the activity of the Extra-Curricular Fund. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or completeness of the transactions. No copies of receipts issued to the students purchasing yearbooks for the period October 12, 2007 through January 1, 2012, were presented for audit. This made it impossible to determine if all the funds collected for yearbooks were remitted to the Extra-Curricular Treasurer.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

***FUNDRAISERS (Applies to Taylor High School/Middle School and Intermediate School)***

Fund raising events were held by several groups within the extra-curricular funds. The Taylor School Corporation School Board minutes presented for audit did not indicate approval of any fund raising events nor did the minutes contain designation of control procedures and the responsible officials or employees.

Governmental units which conduct fund raising events should have the express permission of the governing body for conducting the fund raiser as well as procedures in place concerning the internal controls and the responsibility of employees or officials. (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  
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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 TAYLOR COMMUNITY SCHOOL  
CORPORATION, HOWARD COUNTY, INDIANA

Compliance

We have audited the Taylor Community 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 each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs 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 findings 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, the 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.



Bruce Hartman  
State Examiner

February 18, 2013

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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.

TAYLOR COMMUNITY 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	3640	\$ 60,271	\$ 51,278
National School Lunch Program	10.555	3640	282,406	285,363
Summer Food Service Program for Children	10.559	3640	16,440	22,014
Total for cluster			359,117	358,655
Child and Adult Care Food Program	10.558	3640	-	643
Child Nutrition Discretionary Grants Limited Availability School Lunch Equipment	10.579	3640	-	9,193
Total for federal grantor agency			359,117	368,491
<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	09-3640 10-3640 11-3640	25,992 163,785 -	- 39,086 258,688
Total for program			189,777	297,774
ARRA Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-3640	68,087	20,125
Total for cluster			257,864	317,899
Special Education Cluster (IDEA)				
Special Education_Grants to States	84.027	A58-21206-0171	-	60,454
Pass-Through Kokomo-Center Township Consolidated School Corporation				
ARRA Special Education Grants to States, Recovery Act	84.391	33310-SN01	162,508	947
Pass-Through Western School Corporation				
ARRA Special Education Grants to States, Recovery Act	84.391	33310-SN01	-	10,076
Total for program			162,508	11,023
Pass-Through Kokomo-Center Township Consolidated School Corporation				
ARRA Special Education - Preschool Grants, Recovery Act	84.392	44410-SN01	4,465	-
Pass-Through Western School Corporation				
ARRA Special Education - Preschool Grants, Recovery Act	84.392	44410-SN01	-	3,123
Total for program			4,465	3,123
Total for cluster			166,973	74,600

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

TAYLOR COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012  
(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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Kokomo-Center Township Consolidated School Corporation Educational Technology State Grants Cluster Educational Technology State Grants	84.318	C209S3500	<u>3,262</u>	<u>-</u>
Total for cluster			<u>3,262</u>	<u>-</u>
Pass-Through University of Indianapolis State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	New Tech	<u>74,993</u>	<u>7</u>
Total for cluster			<u>74,993</u>	<u>7</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities_State Grants	84.186	FY09	<u>5,032</u>	<u>777</u>
Pass-Through Kokomo-Center Township Consolidated School Corporation Projects with Industry	84.234	11-6200-3500	<u>21,972</u>	<u>13,025</u>
Pass-Through Wabash Valley Education Center English Language Acquisition State Grants	84.365	3460	<u>2,151</u>	<u>-</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367	3460	<u>99,241</u>	<u>35,246</u>
Education Jobs Fund	84.410	3460	<u>22,252</u>	<u>232,456</u>
Total for federal grantor agency			<u>653,740</u>	<u>674,010</u>
Total federal awards expended			<u>\$ 1,012,857</u>	<u>\$ 1,042,501</u>

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

TAYLOR 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 Taylor 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, 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	\$ 41,502	\$ 40,126



TAYLOR COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2013, with Deborah Barton, Treasurer; Dr. John Magers, Superintendent of Schools; and Dennis Marler, President of the School Board. The Official Response has been made a part of this report and may be found on page 49.

# TAYLOR COMMUNITY SCHOOL CORPORATION

*Office of the Superintendent*

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(765)453-3035 • FAX (765)455-8531

Kokomo, Indiana 46902

**Dr. John Magers**  
*Superintendent of Schools*

## BOARD OF SCHOOL TRUSTEES

Dennis Marler, President  
Jeff Kellar, Vice President  
Bill Brubaker, Secretary  
Scott Maple, Member  
Cathy Mathews, Member

February 22, 2013

Indiana State Board of Accounts  
302 West Washington Street  
Room E 418  
Indianapolis, IN 46204-2765

Re: Official Response to Audit Results and Comments

To Whom It May Concern:

Please consider the following as the official response of the Taylor Community School Corporation in regard to our most recent audit for the period of July 1, 2010 to June 30, 2012. It is my understanding that the official response will become part of the formal audit report.

The Taylor Community School Corporation appreciates the work of the State Board of Accounts and acknowledges the deficiencies noted. We are making efforts to reduce the overdrawn balance in the Textbook Rental Fund by using a collection agency to collect unpaid textbook rental fees.

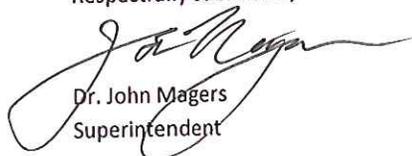
The Taylor High School Financial Secretary, who is new to the position, has subsequently voided the checks outstanding in excess of two years and will continue to do so in the future. Procedures have been established to use the SA-8, SA-9, and other prescribed forms. Procedures have also been established to ensure that all disbursements have adequate supporting documentation and all transfers of funds have proper approval.

Taylor High School and Taylor Middle School have a new year book sponsor, who has established procedures to ensure adequate supporting documentation is maintained for all year book related transactions. She is also raising funds to pay the past due balances to the vendor. We will request that the vendors waive all finance charges.

A policy will be adopted by the Taylor School Board outlining the procedures for the approval of fund raising events for all organizations within the Taylor Community School Corporation.

As we address these issues, the Taylor Community School Corporation looks forward to the next formal audit at which time we hope to verify our success.

Respectfully submitted,



Dr. John Magers  
Superintendent