B40177

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

GIBSON-PIKE-WARRICK SPECIAL EDUCATION COOPERATIVE
PIKE COUNTY, INDIANA

July 1, 2009 to June 30, 2011

FILED
03/13/2012

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Jean Krieg	07-01-09 to 03-09-11
	Janet Goodrid	03-10-11 to 06-30-11
Director	Dr. John G. Helfen	07-01-09 to 06-30-10
	Lisa Brewer	07-01-10 to 06-30-11
President of the Executive Board	Bradley Schneider	07-01-09 to 06-30-11

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE GIBSON-PIKE-WARRICK SPECIAL EDUCATION COOPERATIVE, PIKE COUNTY, INDIANA

We have audited the accompanying financial statement of the Gibson-Pike-Warrick Special Education Cooperative (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis 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.

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

STATE BOARD OF ACCOUNTS

February 14, 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 GIBSON-PIKE-WARRICK SPECIAL EDUCATION COOPERATIVE, PIKE COUNTY, INDIANA

We have audited the financial statement of the Gibson-Pike-Warrick Special Education Cooperative (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 14, 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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GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Special Education Preschool	$ 53,625	$ 524,565	$ 443,286	$ (134,904)	$ -	$ -	$ -	$ -	$ -
Joint School	810,807	3,296,385	3,254,873	107,101	959,420	5,033,588	5,579,016	(12,695)	401,297
Special Transportation	479,265	4,969,348	4,391,236	278	1,057,655	4,220,963	5,065,870	52,417	265,165
SE Co-op Contracted	19,419	6,499	6,347	-	19,571	4,001	664	(22,908)	-
SE Gibson Contracted	(67)	22,819	20,152	-	2,600	4,166	7,305	539	-
SE Pike County Contracted	17,011	3,001	6,059	-	13,953	2,000	224	(15,729)	-
SE State Contracted	(7,856)	80,589	73,028	5,547	5,252	41,266	47,254	736	-
SE Warrick County Contracted	(4,646)	39,248	23,498	-	11,104	11,375	8,246	(14,233)	-
Other Corporation Responsibility	12,787	46,864	47,121	-	12,530	17,220	21,726	(8,024)	-
Summer School	-	-	24,531	24,531	-	-	22,689	22,689	-
Instruction Support	4,816	849	2,535	-	3,130	380	1,413	-	2,097
Miscellaneous Programs	-	741	741	-	-	-	-	-	-
Teacher Quality Improvement Program	7,574	3,000	4,543	550	6,581	-	6,879	324	26
School Technology	-	-	-	-	-	4,753	2,715	-	2,038
Project # 14209-020-PN01	73,013	70,897	143,910	-	-	-	-	-	-
Project # 14210-020-PN01	-	3,439,998	3,459,070	-	(19,072)	314,026	294,954	-	-
Project # 45709-020-PN01	136	-	136	-	-	-	-	-	-
Project # 45710-020-PN01	-	194,999	197,967	-	(2,968)	18,678	15,710	-	-
Special Education - Part B	-	990,241	1,005,274	-	(15,033)	2,818,358	2,803,371	46	-
Special Education - Part B - Preschool	-	58,326	58,541	-	(215)	82,687	82,472	-	-
Totals	$ 1,465,884	$ 13,748,369	$ 13,162,848	$ 3,103	$ 2,054,508	$ 12,573,461	$ 13,960,508	$ 3,162	$ 670,623

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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.

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.

F. Other financing sources and uses

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

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

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

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

G. Fund Accounting

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

Note 2. 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 3. Risk Management

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

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

Note 4. 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. *Teachers' Retirement Fund*

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 5. Dissolution

The participating school corporations of the Gibson-Pike-Warrick Special Education Cooperative signed an agreement dated February 2011, to dissolve the Cooperative effective June 30, 2011. The cash balance was maintained until December 31, 2011, to cover any outstanding checks. At that point the remaining cash balance was distributed to each participating school corporation based on their proportionate share. All assets were distributed among the participating school corporations as scheduled in the dissolution agreement.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2010

	Special Education Preschool	Joint School	Special Transportation	SE Co-op Contracted	SE Gibson Contracted	SE Pike County Contracted	SE State Contracted	SE Warrick County Contracted	Other Corporation Responsibility	Summer School	Instruction Support
Cash and investments - beginning	$ 53,625	$ 810,807	$ 479,265	$ 19,419	$ (67)	$ 17,011	$ (7,856)	$ (4,646)	$ 12,787	$ -	$ 4,816
Receipts:											
Local sources	524,565	3,188,439	4,945,675	6,499	22,819	3,001	20,251	39,248	46,864	-	849
State sources	-	106,253	-	-	-	-	60,338	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other	-	1,693	23,673	-	-	-	-	-	-	-	-
Total receipts	524,565	3,296,385	4,969,348	6,499	22,819	3,001	80,589	39,248	46,864	-	849
Disbursements:											
Current:											
Instruction	241,066	2,063,181	-	-	-	6,059	15,913	-	-	23,572	2,535
Support services	195,876	1,188,473	4,390,404	6,347	20,152	-	57,115	23,498	47,121	959	-
Facilities acquisition and construction	6,344	3,219	832	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	443,286	3,254,873	4,391,236	6,347	20,152	6,059	73,028	23,498	47,121	24,531	2,535
Excess (deficiency) of receipts over disbursements	81,279	41,512	578,112	152	2,667	(3,058)	7,561	15,750	(257)	(24,531)	(1,686)
Other financing sources (uses):											
Sale of capital assets	-	2,275	278	-	-	-	-	-	-	-	-
Transfers in	-	134,904	-	-	-	-	5,547	-	-	24,531	-
Transfers out	(134,904)	(30,078)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(134,904)	107,101	278	-	-	-	5,547	-	-	24,531	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(53,625)	148,613	578,390	152	2,667	(3,058)	13,108	15,750	(257)	-	(1,686)
Cash and investments - ending	$ -	$ 959,420	$ 1,057,655	$ 19,571	$ 2,600	$ 13,953	$ 5,252	$ 11,104	$ 12,530	$ -	$ 3,130

GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Miscellaneous Programs	Teacher Quality Improvement Program	School Technology	Project # 14209-020-PN01	Project # 14210-020-PN01	Project # 45709-020-PN01	Project # 45710-020-PN01	Special Education Part B	Special Education Part B Preschool	Totals
Cash and investments - beginning	$ -	$ 7,574	$ -	$ 73,013	$ -	$ 136	$ -	$ -	$ -	$ 1,465,884
Receipts:										
Local sources	741	-	-	-	-	-	-	-	-	8,798,951
State sources	-	3,000	-	-	-	-	-	-	-	169,591
Federal sources	-	-	-	70,897	3,439,998	-	194,999	990,241	58,326	4,754,461
Other	-	-	-	-	-	-	-	-	-	25,366
Total receipts	741	3,000	-	70,897	3,439,998	-	194,999	990,241	58,326	13,748,369
Disbursements:										
Current:										
Instruction	-	-	-	73,148	2,002,116	-	132,915	930,239	57,715	5,548,459
Support services	741	4,543	-	70,762	1,451,748	136	65,052	74,989	826	7,598,742
Facilities acquisition and construction	-	-	-	-	5,206	-	-	-	-	15,601
Debt services	-	-	-	-	-	-	-	46	-	46
Total disbursements	741	4,543	-	143,910	3,459,070	136	197,967	1,005,274	58,541	13,162,848
Excess (deficiency) of receipts over disbursements	-	(1,543)	-	(73,013)	(19,072)	(136)	(2,968)	(15,033)	(215)	585,521
Other financing sources (uses):										
Sale of capital assets	-	550	-	-	-	-	-	-	-	3,103
Transfers in	-	-	-	-	-	-	-	-	-	164,982
Transfers out	-	-	-	-	-	-	-	-	-	(164,982)
Total other financing sources (uses)	-	550	-	-	-	-	-	-	-	3,103
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(993)	-	(73,013)	(19,072)	(136)	(2,968)	(15,033)	(215)	588,624
Cash and investments - ending	$ -	$ 6,581	$ -	$ -	$ (19,072)	$ -	$ (2,968)	$ (15,033)	$ (215)	$ 2,054,508

GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2011

	Special Education Preschool	Joint School	Special Transportation	SE Co-op Contracted	SE Gibson Contracted	SE Pike County Contracted	SE State Contracted	SE Warrick County Contracted	Other Corporation Responsibility	Summer School	Instruction Support
Cash and investments - beginning	$ -	$ 959,420	$ 1,057,655	$ 19,571	$ 2,600	$ 13,953	$ 5,252	$ 11,104	$ 12,530	$ -	$ 3,130
Receipts:											
Local sources	-	4,910,160	4,199,222	4,001	4,166	2,000	10,624	11,375	17,220	-	380
State sources	-	123,428	-	-	-	-	30,642	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	21,741	-	-	-	-	-	-	-	-
Total receipts	-	5,033,588	4,220,963	4,001	4,166	2,000	41,266	11,375	17,220	-	380
Disbursements:											
Current:											
Instruction	-	3,344,041	-	-	-	-	14,225	-	-	20,920	1,413
Support services	-	2,219,675	5,065,870	664	7,305	224	33,029	8,246	21,726	1,769	-
Facilities acquistion and construction	-	15,300	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,579,016	5,065,870	664	7,305	224	47,254	8,246	21,726	22,689	1,413
Excess (deficiency) of receipts over disbursements	-	(545,428)	(844,907)	3,337	(3,139)	1,776	(5,988)	3,129	(4,506)	(22,689)	(1,033)
Other financing sources (uses):											
Sale of capital assets	-	2,017	823	-	-	-	-	-	-	-	-
Transfers in	-	8,024	52,869	-	539	-	736	-	-	22,689	-
Transfers out	-	(22,736)	(1,275)	(22,908)	-	(15,729)	-	(14,233)	(8,024)	-	-
Total other financing sources (uses)	-	(12,695)	52,417	(22,908)	539	(15,729)	736	(14,233)	(8,024)	22,689	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(558,123)	(792,490)	(19,571)	(2,600)	(13,953)	(5,252)	(11,104)	(12,530)	-	(1,033)
Cash and investments - ending	$ -	$ 401,297	$ 265,165	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,097

GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Miscellaneous Programs	Teacher Quality Improvement Program	School Technology	Project # 14209-020-PN01	Project # 14210-020-PN01	Project # 45709-020-PN01	Project # 45710-020-PN01	Special Education Part B	Special Education Part B Preschool	Totals
Cash and investments - beginning	$ -	$ 6,581	$ -	$ -	$ (19,072)	$ -	$ (2,968)	$ (15,033)	$ (215)	$ 2,054,508
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	9,159,148
State sources	-	-	4,753	-	-	-	-	-	-	158,823
Federal sources	-	-	-	-	314,026	-	18,678	2,818,358	82,687	3,233,749
Other	-	-	-	-	-	-	-	-	-	21,741
Total receipts	-	-	4,753	-	314,026	-	18,678	2,818,358	82,687	12,573,461
Disbursements:										
Current:										
Instruction	-	-	-	-	163,614	-	10,437	2,084,055	80,903	5,719,608
Support services	-	6,879	2,715	-	130,546	-	5,273	719,316	1,569	8,224,806
Facilities acquistion and construction	-	-	-	-	794	-	-	-	-	16,094
Total disbursements	-	6,879	2,715	-	294,954	-	15,710	2,803,371	82,472	13,960,508
Excess (deficiency) of receipts over disbursements	-	(6,879)	2,038	-	19,072	-	2,968	14,987	215	(1,387,047)
Other financing sources (uses):										
Sale of capital assets	-	324	-	-	-	-	-	-	-	3,164
Transfers in	-	-	-	-	-	-	-	46	-	84,903
Transfers out	-	-	-	-	-	-	-	-	-	(84,905)
Total other financing sources (uses)	-	324	-	-	-	-	-	46	-	3,162
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,555)	2,038	-	19,072	-	2,968	15,033	215	(1,383,885)
Cash and investments - ending	$ -	$ 26	$ 2,038	$ -	$ -	$ -	$ -	$ -	$ -	$ 670,623

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SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE GIBSON-PIKE-WARRICK SPECIAL
EDUCATION COOPERATIVE, PIKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Gibson-Pike-Warrick Special Education Cooperative (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal program for the years ended June 30, 2010 and 2011. 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 each of 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 are applicable to each of its major federal program for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

STATE BOARD OF ACCOUNTS

February 14, 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.

GIBSON-PIKE-WARRICK SPECIAL EDUCATION COOPERATIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	14209-020-PN01	$ 143,908	$ -
		14210-020-PN01	3,459,072	294,953
Total for program			3,602,980	294,953
Special Education - Preschool Grants	84.173	45709-020-PND1	136	-
		45710-020-PN01	197,968	15,708
Total for program			198,104	15,708
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-020-SN01	1,005,275	2,803,370
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-020-SN01	58,541	82,473
Total for cluster			4,864,900	3,196,504
Total for federal grantor agency			4,864,900	3,196,504
Total federal awards expended			$ 4,864,900	$ 3,196,504

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Gibson-Pike-Warrick School Cooperative (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.

GIBSON-PIKE-WARRICK SPECIAL EDUCATION COOPERATIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster
Special Education Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

GIBSON-PIKE-WARRICK SCHOOL COOPERATIVE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

GIBSON-PIKE-WARRICK SPECIAL EDUCATION COOPERATIVE
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2012, with Janet Goodrid, Treasurer. Our audit disclosed no material items that warrant comment at this time.