

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TRI-CREEK SCHOOL CORPORATION  
LAKE COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
03/02/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra K. Goss Dana M. Bogathy	07-01-12 to 12-08-13 12-09-13 to 06-30-16
Superintendent of Schools	Dr. Debra K. Howe	07-01-12 to 06-30-16
President of the School Board	Douglas L. Ward	07-01-12 to 06-30-16



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Tri-Creek School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2012 to June 30, 2014.

***Opinion on Regulatory Basis of Accounting***

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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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 records 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.


*Other Information*

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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2016, 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* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

January 4, 2016



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INDEPENDENT AUDITOR'S 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 TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited, 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, the financial statement of the Tri-Creek School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 4, 2016, 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

INDEPENDENT AUDITOR'S 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*.

**Tri-Creek School Corporation's Response to Findings**

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

January 4, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

TRI-CREEK SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13		Other Financing Sources (Uses)		Cash and Investments 06-30-14	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ 10,980,002	\$ 20,585,395	\$ 22,519,630	\$ -	\$ 9,045,767	\$ 20,272,895	\$ 22,719,248	\$ (2,270,000)	\$ 4,329,414	
Debt Service	554,796	2,809,210	2,140,851	(32,620)	1,190,535	2,046,886	2,368,928	(21,052)	847,441	
Retirement/Severance Bond Debt Service	107,239	-	-	(107,239)	-	-	-	-	-	
Exempt Debt	3,396,354	5,706,559	6,373,195	-	2,729,718	7,392,624	6,283,590	-	3,838,752	
Exempt Retirement/Severance Bond Debt Service	-	245,982	279,910	107,239	73,311	300,189	243,202	-	130,298	
Capital Projects	2,161,877	1,902,612	2,805,495	-	1,258,994	2,130,705	2,090,282	3,282	1,302,699	
School Transportation	1,179,942	1,702,110	2,044,469	44,431	882,014	1,780,451	1,890,118	-	772,347	
School Bus Replacement	395,678	383,236	540,523	-	238,391	469,523	438,225	-	269,689	
Rainy Day	1,000,000	-	-	-	1,000,000	-	831,427	2,270,000	2,438,573	
Retirement/Severance Bond	673,651	-	104,516	-	569,135	-	54,457	-	514,678	
Post-Retirement/Severance Future Benefits	304,814	-	47,123	-	257,691	-	2,674	-	255,017	
Construction	341,980	-	98,082	-	243,898	-	59,322	-	184,576	
1998 GO Bonds	3,989	-	3,989	-	-	-	-	-	-	
Middle School Construction	556,387	549,971	888,287	-	218,071	1,166,401	894,631	-	489,841	
2013 Bonds	-	-	-	-	-	-	75,000	748,544	673,544	
Lake Prairie Project	-	-	-	-	-	-	58,367	-	(58,367)	
Transportation Center	-	-	-	-	-	-	38,077	-	(38,077)	
Oak Hill Refinance Revenue	-	-	-	-	-	-	-	44,193	44,193	
2006 GO Bonds	314,977	-	158,526	-	156,451	-	61,664	-	94,787	
2009 HS Refunding Improvement Bonds 2012	-	-	374,965	-	(374,965)	374,965	-	-	-	
School Lunch	1,389,826	1,457,881	1,282,741	-	1,564,966	1,299,072	1,396,322	-	1,467,716	
Textbook Rental	241,786	287,870	138,066	-	391,590	249,167	178,405	-	462,352	
Levy Excess	44,431	-	-	(44,431)	-	-	-	-	-	
Joint Services and Supply - Area Vocational School	-	-	-	-	-	28,808	368	-	28,440	
Educational License Plates	8,815	712	102	-	9,425	394	834	-	8,985	
Alternative Education	20,110	10,320	13,572	-	16,858	4,644	12,970	-	8,532	
Safe Haven Grant 2007-2008	600	-	600	-	-	-	-	-	-	
Tri-Kappa Donations	1,126	-	-	-	1,126	-	-	-	1,126	
Lake Prairie Mobile Grant	-	-	-	-	-	500	489	-	11	
Lake Prairie Library Books (donation)	600	-	-	-	600	-	553	-	47	
BP Grant	72	-	72	-	-	-	-	-	-	
Instruction Support	-	-	-	-	-	4,753	4,605	-	148	
Local eLearning Donations	-	-	-	-	-	3,650	4,564	-	(914)	
Lake Prairie Smart Grant	-	500	464	-	36	-	-	-	36	
Parking Tickets Revenue	8,327	608	986	-	7,949	736	-	-	8,685	
Tri-Creek Education Foundation Grants	5,780	-	1,882	-	3,898	-	1,065	-	2,833	
Foundation Grants	14,975	155	5,211	-	9,919	100	1,368	-	8,651	
Foundation Grants 12/13	-	15,285	13,842	-	1,443	-	-	-	1,443	
Foundation Grants 13/14	-	-	-	-	-	32,004	22,384	-	9,620	
State Farm MADD Grant	-	2,500	1,250	-	1,250	-	-	-	1,250	
Indiana Schools Principals Grant 2012	-	250	250	-	-	-	-	-	-	
Target Grant - Three Creeks	-	-	-	-	-	5,000	3,681	-	1,319	
Pepsi Marketing Rebate 2010-2011	18,382	465	3,498	-	15,349	-	3,263	-	12,086	
Pepsi Marketing Funds	-	-	-	-	-	15,000	-	-	15,000	
Pepsi Marketing Rebate 2005-2006	1,282	109	564	-	827	1,966	-	-	2,793	
Pepsi Marketing Rebate 2006-2007	707	-	557	-	150	-	-	-	150	
Pepsi Marketing Rebate 2007-2008	7,511	-	350	-	7,161	-	2,967	-	4,194	

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

TRI-CREEK SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Pepsi Marketing Rebate 2008-2009	5,654	-	1,095	-	4,559	-	-	-	4,559
Pepsi Marketing Rebate 2009-2010	11,992	-	3,299	-	8,693	-	2,144	-	6,549
Principals Academy Grant 2014	-	-	-	-	-	250	250	-	-
Professional Development CSL Loan# A1599	-	344,000	344,000	-	-	10,030	-	-	10,030
Education Technology CSL Loan# A1643	-	338,500	338,500	-	-	-	-	-	-
Technology Advancement CSL Loan# A1745	-	-	-	-	-	333,925	333,925	-	-
STAA CSL Loan# A1777	-	-	-	-	-	-	70,212	-	(70,212)
Common School Tech Loan# 1804	-	-	-	-	-	-	15,958	-	(15,958)
High Ability 11-12	17,429	-	17,429	-	-	-	-	-	-
High Ability 12-13	-	41,092	29,620	-	11,472	-	11,472	-	-
High Ability 13-14	-	-	-	-	-	41,712	19,831	-	21,881
NESP Grant 10-11	6,061	(6,061)	-	-	-	-	-	-	-
NESP Grant 11-12	-	6,061	6,061	-	-	-	-	-	-
NESP Grant 12-13	-	6,583	4,069	-	2,514	399	2,913	-	-
NESP Grant 13-14	-	-	-	-	-	5,161	4,938	-	223
E-Rate Tech Fund	129,672	83,272	126,992	-	85,952	67,676	114,405	-	39,223
Miscellaneous Programs	-	-	-	-	-	149	-	-	149
Senator David Ford Technology 12-13	-	2,970	109,379	-	(106,409)	151,767	43,576	(1,782)	-
Title I - Grant FY 09	15,000	15,000	30,000	-	-	-	-	-	-
Title I - Grant FY 11	151	-	151	-	-	-	-	-	-
Title I - Grant FY 12	-	120,799	120,799	-	-	-	-	-	-
Title I - Grants to LEAs FY 13	-	356,017	377,716	-	(21,699)	85,270	63,571	-	-
Title I - Grants to LEAs FY 14	-	-	-	-	-	228,748	303,977	-	(75,229)
Special Education Improvement Fund	-	-	-	-	-	53,797	53,797	-	-
Perkins Grant FY 11-12	-	24,961	24,961	-	-	-	-	-	-
Perkins Grant FY 13-14	-	-	-	-	-	14,561	32,142	-	(17,581)
Perkins Grant FY 12-13	-	4,636	8,743	-	(4,107)	31,076	26,969	-	-
Small Learning Fund FY 12	-	92,227	92,227	-	-	-	-	-	-
Small Learning Fund FY 13	-	62,704	108,078	-	(45,374)	68,411	23,037	-	-
Small Learning Fund FY 14	-	-	-	-	-	5,688	5,271	-	417
Title II Part A FY 10-12	7,553	3,632	11,185	-	-	-	-	-	-
Title II Part A FY 11	-	50,590	50,944	-	(354)	18,725	18,371	-	-
Title II Part A FY 12	-	-	-	-	-	45,403	45,758	-	(355)
Title II Part A FY 13	-	-	-	-	-	15,566	6,110	-	9,456
Title II Part A eLearning Conference	-	-	-	-	-	-	236	-	(236)
Title III FY 13	-	-	279	-	(279)	838	559	-	-
Title III FY 14	-	-	-	-	-	118	755	-	(637)
Secure Our Schools 2011	-	-	49,364	-	(49,364)	47,494	(1,870)	-	-
Title I - Grants to LEAs	185	-	185	-	-	-	-	-	-
Education Jobs	-	13,039	13,039	-	-	-	-	-	-
Food Service Clearing	28,086	1,006,429	1,089,306	-	(54,791)	983,670	904,834	-	24,045
Textbook Rental Clearing	7,276	269,393	284,612	16,212	8,269	294,600	293,610	21,052	30,311
Payroll Withholdings	184,459	5,091,078	5,187,688	-	87,849	5,149,850	5,074,868	-	162,831
<b>Totals</b>	<b>\$ 24,149,534</b>	<b>\$ 43,588,652</b>	<b>\$ 48,273,289</b>	<b>\$ (16,408)</b>	<b>\$ 19,448,489</b>	<b>\$ 45,235,317</b>	<b>\$ 47,214,669</b>	<b>\$ 794,237</b>	<b>\$ 18,263,374</b>

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

TRI-CREEK 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 Indiana 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 basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

TRI-CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

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

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

*E. Disbursements*

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

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

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

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

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

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

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

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

TRI-CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other Financing Sources and Uses*

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

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

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

TRI-CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**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 a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees hired prior to July 1, 2011, 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.

TRI-CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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  
One North Capitol, 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. VALIC Pension Plan*

*Plan Description*

The School Corporation contributes to a pension plan for Classified Employees hired after July 1, 2011, VALIC Program. The employee's contribution is 3 percent of their annual salary and the School contributes 4 percent. Employees become immediately vested in the School Corporation's contribution to the employee's VALIC Program account. This plan is unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

*C. 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

TRI-CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**Note 7. *Negative Receipts and Disbursements***

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of correction of errors.

**Note 8. *Cash Balance Deficits***

The financial statement contains some funds with deficits in cash. Some are a result of the funds being set up for reimbursable grants. Reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 or 2014. Others are the result of disbursements exceeding receipts and will be repaid from future receipts.

**Note 9. *Holding Corporations***

The School Corporation has entered into capital leases with the Tri-Creek High School Building Corporation and the Tri-Creek Middle School Building Corporation. The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ending June 30, 2013 and 2014, totaled \$5,148,000 and \$5,092,000, respectively.

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#### OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 10,980,002	\$ 554,796	\$ 107,239	\$ 3,396,354	\$ -	\$ 2,161,877	\$ 1,179,942	\$ 395,678	\$ 1,000,000
Receipts:									
Local sources	502,574	2,784,598	-	5,706,559	245,982	1,902,323	1,702,080	383,236	-
Intermediate sources	244,495	-	-	-	-	-	-	-	-
State sources	19,724,138	-	-	-	-	-	-	-	-
Federal sources	-	24,612	-	-	-	-	-	-	-
Interfund loans	114,188	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	289	30	-	-
Total receipts	<u>20,585,395</u>	<u>2,809,210</u>	<u>-</u>	<u>5,706,559</u>	<u>245,982</u>	<u>1,902,612</u>	<u>1,702,110</u>	<u>383,236</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	15,613,287	-	-	-	-	-	-	-	-
Support services	6,825,974	-	-	-	-	2,152,089	2,044,469	540,523	-
Noninstructional services	80,369	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	653,406	-	-	-
Debt services	-	2,140,851	-	6,373,195	240,199	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	39,711	-	-	-	-
Total disbursements	<u>22,519,630</u>	<u>2,140,851</u>	<u>-</u>	<u>6,373,195</u>	<u>279,910</u>	<u>2,805,495</u>	<u>2,044,469</u>	<u>540,523</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,934,235)</u>	<u>668,359</u>	<u>-</u>	<u>(666,636)</u>	<u>(33,928)</u>	<u>(902,883)</u>	<u>(342,359)</u>	<u>(157,287)</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	(16,408)	-	-	-	-	-	-	-
Transfers in	-	-	-	-	107,239	-	44,431	-	-
Transfers out	-	(16,212)	(107,239)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(32,620)</u>	<u>(107,239)</u>	<u>-</u>	<u>107,239</u>	<u>-</u>	<u>44,431</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,934,235)</u>	<u>635,739</u>	<u>(107,239)</u>	<u>(666,636)</u>	<u>73,311</u>	<u>(902,883)</u>	<u>(297,928)</u>	<u>(157,287)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 9,045,767</u>	<u>\$ 1,190,535</u>	<u>\$ -</u>	<u>\$ 2,729,718</u>	<u>\$ 73,311</u>	<u>\$ 1,258,994</u>	<u>\$ 882,014</u>	<u>\$ 238,391</u>	<u>\$ 1,000,000</u>

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction	1998 GO Bonds	Middle School Construction	2013 Bonds	Lake Prairie Project	Transportation Center	Oak Hill Refinance Revenue
Cash and investments - beginning	\$ 673,651	\$ 304,814	\$ 341,980	\$ 3,989	\$ 556,387	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	549,971	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	549,971	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	1,082	-	-	-	-
Support services	104,516	47,123	10,526	-	27,668	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	87,556	3,989	859,537	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	104,516	47,123	98,082	3,989	888,287	-	-	-	-
Excess (deficiency) of receipts over disbursements	(104,516)	(47,123)	(98,082)	(3,989)	(338,316)	-	-	-	-
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	(104,516)	(47,123)	(98,082)	(3,989)	(338,316)	-	-	-	-
Cash and investments - ending	\$ 569,135	\$ 257,691	\$ 243,898	\$ -	\$ 218,071	\$ -	\$ -	\$ -	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	2006 GO Bonds	2009 HS Refunding Improvement Bonds 2012	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Area Vocational School	Educational License Plates	Alternative Education	Safe Haven Grant 2007-2008
Cash and investments - beginning	\$ 314,977	\$ -	\$ 1,389,826	\$ 241,786	\$ 44,431	\$ -	\$ 8,815	\$ 20,110	\$ 600
Receipts:									
Local sources	-	-	879,953	237,109	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	712	-	-
State sources	-	-	23,057	50,761	-	-	-	10,320	-
Federal sources	-	-	554,871	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,457,881	287,870	-	-	712	10,320	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	13,572	600
Support services	-	27,433	-	138,066	-	-	-	-	-
Noninstructional services	-	-	1,282,741	-	-	-	102	-	-
Facilities acquisition and construction	158,526	347,532	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	158,526	374,965	1,282,741	138,066	-	-	102	13,572	600
Excess (deficiency) of receipts over disbursements	(158,526)	(374,965)	175,140	149,804	-	-	610	(3,252)	(600)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(44,431)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(44,431)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(158,526)	(374,965)	175,140	149,804	(44,431)	-	610	(3,252)	(600)
Cash and investments - ending	\$ 156,451	\$ (374,965)	\$ 1,564,966	\$ 391,590	\$ -	\$ -	\$ 9,425	\$ 16,858	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Tri-Kappa Donations	Lake Prairie Mobile Grant	Lake Prairie Library Books (donation)	BP Grant	Instruction Support	Local eLearning Donations	Lake Prairie Smart Grant	Parking Tickets Revenue
Cash and investments - beginning	\$ 1,126	\$ -	\$ 600	\$ 72	\$ -	\$ -	\$ -	\$ 8,327
Receipts:								
Local sources	-	-	-	-	-	-	500	608
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	500	608
Disbursements:								
Current:								
Instruction	-	-	-	72	-	-	464	-
Support services	-	-	-	-	-	-	-	986
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	72	-	-	464	986
Excess (deficiency) of receipts over disbursements	-	-	-	(72)	-	-	36	(378)
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	-	-	-	(72)	-	-	36	(378)
Cash and investments - ending	\$ 1,126	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 36	\$ 7,949

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Tri-Creek Education Foundation Grants	Foundation Grants	Foundation Grants 12/13	Foundation Grants 13/14	State Farm MADD Grant	Indiana Schools Principals Grant 2012	Target Grant - Three Creeks	Pepsi Marketing Rebate 2010-2011
Cash and investments - beginning	\$ 5,780	\$ 14,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,382
Receipts:								
Local sources	-	155	15,285	-	2,500	-	-	465
Intermediate sources	-	-	-	-	-	250	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	155	15,285	-	2,500	250	-	465
Disbursements:								
Current:								
Instruction	1,882	4,598	13,288	-	1,250	250	-	3,498
Support services	-	613	554	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,882	5,211	13,842	-	1,250	250	-	3,498
Excess (deficiency) of receipts over disbursements	(1,882)	(5,056)	1,443	-	1,250	-	-	(3,033)
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	(1,882)	(5,056)	1,443	-	1,250	-	-	(3,033)
Cash and investments - ending	\$ 3,898	\$ 9,919	\$ 1,443	\$ -	\$ 1,250	\$ -	\$ -	\$ 15,349

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Pepsi Marketing Funds	Pepsi Marketing Rebate 2005-2006	Pepsi Marketing Rebate 2006-2007	Pepsi Marketing Rebate 2007-2008	Pepsi Marketing Rebate 2008-2009	Pepsi Marketing Rebate 2009-2010	Principals Academy Grant 2014	Professional Development CSL Loan# A1599
Cash and investments - beginning	\$ -	\$ 1,282	\$ 707	\$ 7,511	\$ 5,654	\$ 11,992	\$ -	\$ -
Receipts:								
Local sources	-	109	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	344,000
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	109	-	-	-	-	-	344,000
Disbursements:								
Current:								
Instruction	-	564	557	350	1,095	2,417	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	882	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	344,000
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	564	557	350	1,095	3,299	-	344,000
Excess (deficiency) of receipts over disbursements	-	(455)	(557)	(350)	(1,095)	(3,299)	-	-
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	-	(455)	(557)	(350)	(1,095)	(3,299)	-	-
Cash and investments - ending	\$ -	\$ 827	\$ 150	\$ 7,161	\$ 4,559	\$ 8,693	\$ -	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Education Technology CSL Loan# A1643	Technology Advancement CSL Loan# A1745	STAA CSL Loan# A1777	Common School Tech Loan# 1804	High Ability 11-12	High Ability 12-13	High Ability 13-14	NESP Grant 10-11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 17,429	\$ -	\$ -	\$ 6,061
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	338,500	-	-	-	-	41,092	-	(6,061)
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	338,500	-	-	-	-	41,092	-	(6,061)
Disbursements:								
Current:								
Instruction	-	-	-	-	16,903	29,620	-	-
Support services	-	-	-	-	526	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	338,500	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	338,500	-	-	-	17,429	29,620	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(17,429)	11,472	-	(6,061)
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	-	-	-	-	(17,429)	11,472	-	(6,061)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,472	\$ -	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	NESP Grant 11-12	NESP Grant 12-13	NESP Grant 13-14	E-Rate Tech Fund	Miscellaneous Programs	Senator David Ford Technology 12-13	Title I - Grant FY 09	Title I - Grant FY 11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 129,672	\$ -	\$ -	\$ 15,000	\$ 151
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	33,852	-	-	-	-
State sources	6,061	6,583	-	49,420	-	2,970	-	-
Federal sources	-	-	-	-	-	-	15,000	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>6,061</u>	<u>6,583</u>	<u>-</u>	<u>83,272</u>	<u>-</u>	<u>2,970</u>	<u>15,000</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	109,379	-	-
Support services	6,061	3,599	-	126,992	-	-	30,000	151
Noninstructional services	-	470	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>6,061</u>	<u>4,069</u>	<u>-</u>	<u>126,992</u>	<u>-</u>	<u>109,379</u>	<u>30,000</u>	<u>151</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>2,514</u>	<u>-</u>	<u>(43,720)</u>	<u>-</u>	<u>(106,409)</u>	<u>(15,000)</u>	<u>(151)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>2,514</u>	<u>-</u>	<u>(43,720)</u>	<u>-</u>	<u>(106,409)</u>	<u>(15,000)</u>	<u>(151)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,514</u>	<u>\$ -</u>	<u>\$ 85,952</u>	<u>\$ -</u>	<u>\$ (106,409)</u>	<u>\$ -</u>	<u>\$ -</u>

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Title I - Grant FY 12	Title I - Grants to LEAs FY 13	Title I - Grants to LEAs FY 14	Special Education Improvement Fund	Perkins Grant FY 11-12	Perkins Grant FY 13-14	Perkins Grant FY 12-13	Small Learning Fund FY 12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	120,799	356,017	-	-	24,961	-	4,636	92,227
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	120,799	356,017	-	-	24,961	-	4,636	92,227
Disbursements:								
Current:								
Instruction	64,528	282,715	-	-	20,987	-	8,743	67,264
Support services	27,145	92,142	-	-	-	-	-	18,892
Noninstructional services	-	2,859	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	29,126	-	-	-	3,974	-	-	6,071
Total disbursements	120,799	377,716	-	-	24,961	-	8,743	92,227
Excess (deficiency) of receipts over disbursements	-	(21,699)	-	-	-	-	(4,107)	-
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	-	(21,699)	-	-	-	-	(4,107)	-
Cash and investments - ending	\$ -	\$ (21,699)	\$ -	\$ -	\$ -	\$ -	\$ (4,107)	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Small Learning Fund FY 13	Small Learning Fund FY 14	Title II Part A FY 10-12	Title II Part A FY 11	Title II Part A FY 12	Title II Part A FY 13	Title II Part A eLearning Conference	Title III FY 13
Cash and investments - beginning	\$ -	\$ -	\$ 7,553	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	62,704	-	3,632	50,590	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>62,704</u>	<u>-</u>	<u>3,632</u>	<u>50,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	108,078	-	-	-	-	-	-	279
Support services	-	-	11,185	50,944	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>108,078</u>	<u>-</u>	<u>11,185</u>	<u>50,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>
Excess (deficiency) of receipts over disbursements	<u>(45,374)</u>	<u>-</u>	<u>(7,553)</u>	<u>(354)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(45,374)</u>	<u>-</u>	<u>(7,553)</u>	<u>(354)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279)</u>
Cash and investments - ending	<u>\$ (45,374)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (354)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (279)</u>

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Title III FY 14	Secure Our Schools 2011	Title I - Grants to LEAs	Education Jobs	Food Service Clearing	Textbook Rental Clearing	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 185	\$ -	\$ 28,086	\$ 7,276	\$ 184,459	\$ 24,149,534
Receipts:								
Local sources	-	-	-	-	-	-	-	14,914,007
Intermediate sources	-	-	-	-	-	-	-	279,309
State sources	-	-	-	-	-	-	-	20,590,841
Federal sources	-	-	-	13,039	-	-	-	1,323,088
Interfund loans	-	-	-	-	-	-	-	114,188
Other	-	-	-	-	1,006,429	269,393	5,091,078	6,367,219
Total receipts	-	-	-	13,039	1,006,429	269,393	5,091,078	43,588,652
Disbursements:								
Current:								
Instruction	-	12,061	-	13,039	-	-	-	16,392,422
Support services	-	2,000	185	-	-	-	-	12,290,362
Noninstructional services	-	-	-	-	-	-	-	1,367,423
Facilities acquisition and construction	-	-	-	-	-	-	-	2,793,046
Debt services	-	-	-	-	-	-	-	8,754,245
Nonprogrammed charges	-	-	-	-	1,089,306	284,612	5,187,688	6,561,606
Interfund loans	-	35,303	-	-	-	-	-	114,185
Total disbursements	-	49,364	185	13,039	1,089,306	284,612	5,187,688	48,273,289
Excess (deficiency) of receipts over disbursements	-	(49,364)	(185)	-	(82,877)	(15,219)	(96,610)	(4,684,637)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	(16,408)
Transfers in	-	-	-	-	-	16,212	-	167,882
Transfers out	-	-	-	-	-	-	-	(167,882)
Total other financing sources (uses)	-	-	-	-	-	16,212	-	(16,408)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(49,364)	(185)	-	(82,877)	993	(96,610)	(4,701,045)
Cash and investments - ending	<u>\$ -</u>	<u>\$ (49,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,791)</u>	<u>\$ 8,269</u>	<u>\$ 87,849</u>	<u>\$ 19,448,489</u>

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 9,045,767	\$ 1,190,535	\$ -	\$ 2,729,718	\$ 73,311	\$ 1,258,994	\$ 882,014	\$ 238,391	\$ 1,000,000
Receipts:									
Local sources	456,841	2,031,782	-	7,392,624	300,189	2,086,807	1,780,451	469,523	-
Intermediate sources	252,938	-	-	-	-	-	-	-	-
State sources	19,563,116	-	-	-	-	-	-	-	-
Federal sources	-	15,104	-	-	-	-	-	-	-
Other	-	-	-	-	-	43,898	-	-	-
Total receipts	<u>20,272,895</u>	<u>2,046,886</u>	<u>-</u>	<u>7,392,624</u>	<u>300,189</u>	<u>2,130,705</u>	<u>1,780,451</u>	<u>469,523</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	15,762,812	-	-	-	-	-	-	-	-
Support services	6,875,163	4,601	-	-	-	1,788,332	1,890,118	438,225	831,427
Noninstructional services	81,273	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	301,950	-	-	-
Debt services	-	2,364,327	-	6,283,590	243,202	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>22,719,248</u>	<u>2,368,928</u>	<u>-</u>	<u>6,283,590</u>	<u>243,202</u>	<u>2,090,282</u>	<u>1,890,118</u>	<u>438,225</u>	<u>831,427</u>
Excess (deficiency) of receipts over disbursements	<u>(2,446,353)</u>	<u>(322,042)</u>	<u>-</u>	<u>1,109,034</u>	<u>56,987</u>	<u>40,423</u>	<u>(109,667)</u>	<u>31,298</u>	<u>(831,427)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	1,500	-	-	-
Transfers in	-	-	-	-	-	1,782	-	-	2,270,000
Transfers out	<u>(2,270,000)</u>	<u>(21,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,270,000)</u>	<u>(21,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,282</u>	<u>-</u>	<u>-</u>	<u>2,270,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,716,353)</u>	<u>(343,094)</u>	<u>-</u>	<u>1,109,034</u>	<u>56,987</u>	<u>43,705</u>	<u>(109,667)</u>	<u>31,298</u>	<u>1,438,573</u>
Cash and investments - ending	<u>\$ 4,329,414</u>	<u>\$ 847,441</u>	<u>\$ -</u>	<u>\$ 3,838,752</u>	<u>\$ 130,298</u>	<u>\$ 1,302,699</u>	<u>\$ 772,347</u>	<u>\$ 269,689</u>	<u>\$ 2,438,573</u>

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction	1998 GO Bonds	Middle School Construction	2013 Bonds	Lake Prairie Project	Transportation Center	Oak Hill Refinance Revenue
Cash and investments - beginning	\$ 569,135	\$ 257,691	\$ 243,898	\$ -	\$ 218,071	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	1,166,401	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,166,401	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	54,457	2,674	31,478	-	270,453	-	-	47	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	27,844	-	624,178	75,000	58,367	38,030	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	54,457	2,674	59,322	-	894,631	75,000	58,367	38,077	-
Excess (deficiency) of receipts over disbursements	(54,457)	(2,674)	(59,322)	-	271,770	(75,000)	(58,367)	(38,077)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	748,544	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	44,193
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	748,544	-	-	44,193
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(54,457)	(2,674)	(59,322)	-	271,770	673,544	(58,367)	(38,077)	44,193
Cash and investments - ending	\$ 514,678	\$ 255,017	\$ 184,576	\$ -	\$ 489,841	\$ 673,544	\$ (58,367)	\$ (38,077)	\$ 44,193

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	2006 GO Bonds	2009 HS Refunding Improvement Bonds 2012	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Area Vocational School	Educational License Plates	Alternative Education	Safe Haven Grant 2007-2008
Cash and investments - beginning	\$ 156,451	\$ (374,965)	\$ 1,564,966	\$ 391,590	\$ -	\$ -	\$ 9,425	\$ 16,858	\$ -
Receipts:									
Local sources	-	374,965	863,337	184,263	-	28,808	-	-	-
Intermediate sources	-	-	-	-	-	-	394	-	-
State sources	-	-	23,062	64,904	-	-	-	4,644	-
Federal sources	-	-	412,673	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	374,965	1,299,072	249,167	-	28,808	394	4,644	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	368	834	12,970	-
Support services	10,000	-	-	178,405	-	-	-	-	-
Noninstructional services	-	-	1,396,322	-	-	-	-	-	-
Facilities acquisition and construction	51,664	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	61,664	-	1,396,322	178,405	-	368	834	12,970	-
Excess (deficiency) of receipts over disbursements	(61,664)	374,965	(97,250)	70,762	-	28,440	(440)	(8,326)	-
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	(61,664)	374,965	(97,250)	70,762	-	28,440	(440)	(8,326)	-
Cash and investments - ending	\$ 94,787	\$ -	\$ 1,467,716	\$ 462,352	\$ -	\$ 28,440	\$ 8,985	\$ 8,532	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Tri-Kappa Donations	Lake Prairie Mobile Grant	Lake Prairie Library Books (donation)	BP Grant	Instruction Support	Local eLearning Donations	Lake Prairie Smart Grant	Parking Tickets Revenue
Cash and investments - beginning	\$ 1,126	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 36	\$ 7,949
Receipts:								
Local sources	-	500	-	-	4,753	3,650	-	736
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	500	-	-	4,753	3,650	-	736
Disbursements:								
Current:								
Instruction	-	489	553	-	4,605	-	-	-
Support services	-	-	-	-	-	4,564	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	489	553	-	4,605	4,564	-	-
Excess (deficiency) of receipts over disbursements	-	11	(553)	-	148	(914)	-	736
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	-	11	(553)	-	148	(914)	-	736
Cash and investments - ending	\$ 1,126	\$ 11	\$ 47	\$ -	\$ 148	\$ (914)	\$ 36	\$ 8,685

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Tri-Creek Education Foundation Grants	Foundation Grants	Foundation Grants 12/13	Foundation Grants 13/14	State Farm MADD Grant	Indiana Schools Principals Grant 2012	Target Grant - Three Creeks	Pepsi Marketing Rebate 2010-2011
Cash and investments - beginning	\$ 3,898	\$ 9,919	\$ 1,443	\$ -	\$ 1,250	\$ -	\$ -	\$ 15,349
Receipts:								
Local sources	-	100	-	32,004	-	-	5,000	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	100	-	32,004	-	-	5,000	-
Disbursements:								
Current:								
Instruction	586	1,368	-	22,384	-	-	3,631	3,263
Support services	479	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	50	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,065	1,368	-	22,384	-	-	3,681	3,263
Excess (deficiency) of receipts over disbursements	(1,065)	(1,268)	-	9,620	-	-	1,319	(3,263)
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	(1,065)	(1,268)	-	9,620	-	-	1,319	(3,263)
Cash and investments - ending	\$ 2,833	\$ 8,651	\$ 1,443	\$ 9,620	\$ 1,250	\$ -	\$ 1,319	\$ 12,086

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Pepsi Marketing Funds	Pepsi Marketing Rebate 2005-2006	Pepsi Marketing Rebate 2006-2007	Pepsi Marketing Rebate 2007-2008	Pepsi Marketing Rebate 2008-2009	Pepsi Marketing Rebate 2009-2010	Principals Academy Grant 2014	Professional Development CSL Loan# A1599
Cash and investments - beginning	\$ -	\$ 827	\$ 150	\$ 7,161	\$ 4,559	\$ 8,693	\$ -	\$ -
Receipts:								
Local sources	15,000	1,966	-	-	-	-	-	10,030
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	250	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	15,000	1,966	-	-	-	-	250	10,030
Disbursements:								
Current:								
Instruction	-	-	-	2,967	-	1,242	250	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	902	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,967	-	2,144	250	-
Excess (deficiency) of receipts over disbursements	15,000	1,966	-	(2,967)	-	(2,144)	-	10,030
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	15,000	1,966	-	(2,967)	-	(2,144)	-	10,030
Cash and investments - ending	\$ 15,000	\$ 2,793	\$ 150	\$ 4,194	\$ 4,559	\$ 6,549	\$ -	\$ 10,030

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Education Technology CSL Loan# A1643	Technology Advancement CSL Loan# A1745	STAA CSL Loan# A1777	Common School Tech Loan# 1804	High Ability 11-12	High Ability 12-13	High Ability 13-14	NESP Grant 10-11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,472	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	333,925	-	-	-	-	41,712	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	333,925	-	-	-	-	41,712	-
Disbursements:								
Current:								
Instruction	-	333,925	-	15,958	-	11,472	19,831	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	70,212	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	333,925	70,212	15,958	-	11,472	19,831	-
Excess (deficiency) of receipts over disbursements	-	-	(70,212)	(15,958)	-	(11,472)	21,881	-
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	-	-	(70,212)	(15,958)	-	(11,472)	21,881	-
Cash and investments - ending	\$ -	\$ -	\$ (70,212)	\$ (15,958)	\$ -	\$ -	\$ 21,881	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	NESP Grant 11-12	NESP Grant 12-13	NESP Grant 13-14	E-Rate Tech Fund	Miscellaneous Programs	Senator David Ford Technology 12-13	Title I - Grant FY 09	Title I - Grant FY 11
Cash and investments - beginning	\$ -	\$ 2,514	\$ -	\$ 85,952	\$ -	\$ (106,409)	\$ -	\$ -
Receipts:								
Local sources	-	399	-	-	-	350	-	-
Intermediate sources	-	-	-	58,839	-	-	-	-
State sources	-	-	5,161	8,837	149	151,417	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	399	5,161	67,676	149	151,767	-	-
Disbursements:								
Current:								
Instruction	-	134	-	-	-	43,576	-	-
Support services	-	2,779	4,416	114,405	-	-	-	-
Noninstructional services	-	-	522	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	2,913	4,938	114,405	-	43,576	-	-
Excess (deficiency) of receipts over disbursements	-	(2,514)	223	(46,729)	149	108,191	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,782)	-	-
Total other financing sources (uses)	-	-	-	-	-	(1,782)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,514)	223	(46,729)	149	106,409	-	-
Cash and investments - ending	\$ -	\$ -	\$ 223	\$ 39,223	\$ 149	\$ -	\$ -	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Title I - Grant FY 12	Title I - Grants to LEAs FY 13	Title I - Grants to LEAs FY 14	Special Education Improvement Fund	Perkins Grant FY 11-12	Perkins Grant FY 13-14	Perkins Grant FY 12-13	Small Learning Fund FY 12
Cash and investments - beginning	\$ -	\$ (21,699)	\$ -	\$ -	\$ -	\$ -	\$ (4,107)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	800	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	85,270	228,748	53,797	-	14,561	30,276	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	85,270	228,748	53,797	-	14,561	31,076	-
Disbursements:								
Current:								
Instruction	-	30,185	222,568	53,797	-	32,142	26,969	-
Support services	-	33,386	80,120	-	-	-	-	-
Noninstructional services	-	-	1,289	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	63,571	303,977	53,797	-	32,142	26,969	-
Excess (deficiency) of receipts over disbursements	-	21,699	(75,229)	-	-	(17,581)	4,107	-
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	-	21,699	(75,229)	-	-	(17,581)	4,107	-
Cash and investments - ending	\$ -	\$ -	\$ (75,229)	\$ -	\$ -	\$ (17,581)	\$ -	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Small Learning Fund FY 13	Small Learning Fund FY 14	Title II Part A FY 10-12	Title II Part A FY 11	Title II Part A FY 12	Title II Part A FY 13	Title II Part A eLearning Conference	Title III FY 13
Cash and investments - beginning	\$ (45,374)	\$ -	\$ -	\$ (354)	\$ -	\$ -	\$ -	\$ (279)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	68,411	5,688	-	18,725	45,403	15,566	-	838
Other	-	-	-	-	-	-	-	-
Total receipts	68,411	5,688	-	18,725	45,403	15,566	-	838
Disbursements:								
Current:								
Instruction	23,037	5,271	-	-	-	-	-	(39)
Support services	-	-	-	18,371	45,758	6,110	236	598
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	23,037	5,271	-	18,371	45,758	6,110	236	559
Excess (deficiency) of receipts over disbursements	45,374	417	-	354	(355)	9,456	(236)	279
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	45,374	417	-	354	(355)	9,456	(236)	279
Cash and investments - ending	\$ -	\$ 417	\$ -	\$ -	\$ (355)	\$ 9,456	\$ (236)	\$ -

TRI-CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Title III FY 14	Secure Our Schools 2011	Title I - Grants to LEAs	Education Jobs	Food Service Clearing	Textbook Rental Clearing	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (49,364)	\$ -	\$ -	\$ (54,791)	\$ 8,269	\$ 87,849	\$ 19,448,489
Receipts:								
Local sources	-	-	-	-	-	-	-	17,211,279
Intermediate sources	-	-	-	-	-	-	-	312,171
State sources	-	-	-	-	-	-	-	20,197,177
Federal sources	118	47,494	-	-	-	-	-	1,042,672
Other	-	-	-	-	983,670	294,600	5,149,850	6,472,018
Total receipts	118	47,494	-	-	983,670	294,600	5,149,850	45,235,317
Disbursements:								
Current:								
Instruction	-	(870)	-	-	-	-	-	16,636,278
Support services	755	(1,000)	-	-	-	-	-	12,686,357
Noninstructional services	-	-	-	-	-	-	-	1,480,358
Facilities acquisition and construction	-	-	-	-	-	-	-	1,247,245
Debt services	-	-	-	-	-	-	-	8,891,119
Nonprogrammed charges	-	-	-	-	904,834	293,610	5,074,868	6,273,312
Total disbursements	755	(1,870)	-	-	904,834	293,610	5,074,868	47,214,669
Excess (deficiency) of receipts over disbursements	(637)	49,364	-	-	78,836	990	74,982	(1,979,352)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	748,544
Sale of capital assets	-	-	-	-	-	-	-	45,693
Transfers in	-	-	-	-	-	21,052	-	2,292,834
Transfers out	-	-	-	-	-	-	-	(2,292,834)
Total other financing sources (uses)	-	-	-	-	-	21,052	-	794,237
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(637)	49,364	-	-	78,836	22,042	74,982	(1,185,115)
Cash and investments - ending	\$ (637)	\$ -	\$ -	\$ -	\$ 24,045	\$ 30,311	\$ 162,831	\$ 18,263,374

TRI CREEK SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Tri-Creek High School Building Corporation	2006 Partially refinances 2003 TC 2002 HSBC 1st Mortgage Bonds	\$ 334,000	7/15/2007	1/15/2026
Tri-Creek High School Building Corporation	2007 Partially refinances 2003 TC 2002 HSBC and 1998 Lake Prairie Bonds	2,025,000	7/15/2007	1/15/2023
Tri-Creek Middle School Building Corporation	2008 Middle School Construction & Equipment	3,750,000	1/15/2009	1/15/2034
Tri-Creek High School Building Corporation	2010 Construction of a physical education addition to LHS	37,000	1/15/2011	1/15/2020
Tri-Creek High School Building Corporation	2012 Refund a portion of Series 2003 and fund improvements	<u>174,000</u>	1/15/2013	7/15/2022
Total of annual lease payments		<u>\$ 6,320,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2013 G.O. Bond	\$ 400,000	\$ 402,000
General obligation bonds	2006 Pension Severance G.O. Bonds	960,000	99,858
General obligation bonds	Amended Retirement/Severance Liability Funding Bonds of 2003	550,000	135,879
Notes and loans payable	Common School Fund Loans	<u>10,104,115</u>	<u>1,513,194</u>
Totals		<u>\$ 12,014,115</u>	<u>\$ 2,150,931</u>

TRI CREEK SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2014

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,351,522
Buildings	148,317,493
Improvements other than buildings	2,150,779
Machinery, equipment, and vehicles	<u>13,825,819</u>
Total capital assets	<u>\$ 165,645,613</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Tri-Creek 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, 2012 to June 30, 2014. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Basis for Qualified Opinion on the Child Nutrition Cluster***

As described in items 2014-003, 2014-004, 2014-005, and 2014-006 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs, Cash Management, Procurement, Suspension and Debarment, and Program Income that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Qualified Opinion on the Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2012 to June 30, 2014.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2012 to June 30, 2014.

***Other Matters***

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-004, 2014-005, 2014-006, and 2014-007 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

January 4, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

TRI CREEK SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program					
School Breakfast Program					
	Indiana Department of Education	10.553	FY 2013	\$ 60,389	\$ -
			FY 2014	-	42,374
				<u>60,389</u>	<u>42,374</u>
National School Lunch Program					
School Lunch Program					
	Indiana Department of Education	10.555	FY 2013	584,339	-
			FY 2014	-	465,775
				<u>584,339</u>	<u>465,775</u>
Total - Child Nutrition Cluster				<u>644,728</u>	<u>508,149</u>
Total - Department of Agriculture				<u>644,728</u>	<u>508,149</u>
<u>Department of Justice</u>					
Public Safety Partnership and Community Policing Grants					
Secure Our Schools- 6952					
	Town of Lowell	16.710	2011 CKWX0021	-	47,494
Total - Department of Justice				<u>-</u>	<u>47,494</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies					
Title I Part A - 4123					
Title I Part A - 4124					
Title I Part A- 4125					
	Indiana Department of Education	84.010	12-4645	120,799	-
			13-4645	356,017	85,270
			14-4645	-	228,748
				<u>476,816</u>	<u>314,018</u>
Total - Title I, Part A Cluster					
Special Education Cluster					
Special Education_Grants to States					
IDEA-Part B Section 611 FY 12-Fund 5261					
	Indiana Department of Education	84.027	14212-047-PN01	133,918	-
			14213-047-PN01	554,265	135,043
			14214-047-PN01	-	483,851
			A58-313DL-1442	-	53,797
			TA FY 14	-	9,207
				<u>688,183</u>	<u>681,898</u>
Total - Special Education_Grants to States					
Special Education_Preschool Grants					
IDEA-Part B Section 619 FY 12-Fund 5481					
		84.173	45712-047-PN01	2,011	-
			45713-047-PN01	10,887	4,919
			45714-047-PN01	-	8,543
				<u>12,898</u>	<u>13,462</u>
Total - Special Education_Preschool Grants					
Total - Special Education Cluster				<u>701,081</u>	<u>695,360</u>

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

TRI CREEK SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Career and Technical Education - Basic Grants to States 2011-2012 Perkins Fund- 6312 2012-2013 Perkins Fund- 6312	Hanover Community School Corporation	84.048	FY 11-12 FY 12-13	24,961 <u>4,636</u>	- <u>30,276</u>
Career and Technical Education - Basic Grants to States Perkins Grant Fund 6234	Indiana Department of Education	84.048	FY 13-14	<u>-</u>	<u>14,561</u>
Total - Career and Technical Education - Basic Grants to States				<u>29,597</u>	<u>44,837</u>
Fund for the Improvement of Education Small Lrng Fund- 6612 Small Lrng Fund- 6613 Small Lrng Fund- 6614	School City of Hammond	84.215	FY 12 FY 13 FY 14	92,227 62,704 <u>-</u>	- 68,411 <u>5,688</u>
Total - Fund for Improvement of Education				<u>154,931</u>	<u>74,099</u>
English Language Acquisition State Grants Title III- 6883 Title III- 6884	Northwest Indiana Educational Service Center	84.365	FY 13 FY 14	- <u>-</u>	838 <u>118</u>
Total - English Language Acquisition State Grants				<u>-</u>	<u>956</u>
Improving Teacher Quality State Grants Title II Part A- 6842 Title II Part A- 6843 Title II Part A- 6844 Title II Part A- 6845	Indiana Department of Education	84.367	10-4645 11-4645 12-4645 13-4645	3,632 50,590 <u>-</u> <u>-</u>	- 18,725 45,403 <u>15,566</u>
Total - Improving Teacher Quality State Grants				<u>54,222</u>	<u>79,694</u>
Education Jobs Fund	Indiana Department of Education	84.41	FY 13	<u>13,039</u>	<u>-</u>
Total - Department of Education				<u>1,429,686</u>	<u>1,208,964</u>
Total federal awards expended				<u>\$ 2,074,414</u>	<u>\$ 1,764,607</u>

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

TRI-CREEK SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the 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 5-11-1-25), 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, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 93,036	\$ 95,476

**Note 3. Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative. As a result, some activity for the Special Education Cluster that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Special Education Cooperative.

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for all programs except Child Nutrition Cluster, which was qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title 1, Part A Cluster  
Special Education Cluster

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2014-001 - FINANCIAL TRANSACTIONS AND REPORTING**

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to payroll disbursements and School Lunch fund cash and investments and receipts. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. Control activities should be in place to reduce the risk of errors in financial reporting.

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation does not have adequate controls over payroll disbursements. The School Corporation Treasurer performs all aspects of the payroll transactions and reporting. There is no segregation of duties, such as an oversight, review, or approval process.

The Food Service Program accounted for in the School Lunch fund operates as an extra-curricular fund. The Food Service Bookkeeper receives cash, records the cash transactions to the ledger, prepares the deposit slip, takes the deposit to the bank, and performs the monthly reconcilements of the financial record balance to the bank balance. There is no segregation of duties, such as an oversight, review, or approval process.

An evaluation of the School Corporation's system of internal control has not been conducted. The failure to monitor the internal control system places the School Corporation at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Effective internal controls over financial reporting require the School Corporation to monitor and assess the quality of the system of internal control.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2014-002 - INTERNAL CONTROL OVER THE CHILD NUTRITION CLUSTER***

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: FY2013, FY2014  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and several of the compliance requirements that have a direct and material effect on the programs. This includes the compliance requirements for Allowable Activities, Eligibility, Reporting, Special Tests and Provisions for School Food Accounts and Verifications of Free and Reduced Applications.

*Allowable Activities*

The School Corporation has not designed or implemented adequate policies and procedures to ensure that funds are only expended for allowable activities of the programs. There are no controls over payroll transactions and reporting.

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Eligibility*

The School Corporation has not designed or implemented adequate policies and procedures to ensure that eligibility for free and reduced price meals are accurately determined. Currently, the application information is entered into the food service software which automatically makes the determination dependent upon the information entered into the software. There are no controls to ensure that the information entered into the food service software is correct.

*Reporting*

The School Corporation has not designed or implemented adequate policies and procedures to ensure that required reports are accurately prepared and submitted. The monthly reimbursement request report and annual report is prepared by the Food Service Bookkeeper and submitted electronically via the DOE website. There is no segregation of duties, such as an oversight, review, or approval process over the compliance requirements for Reporting.

*Special Tests and Provisions - School Food Accounts*

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with the requirements for school food accounts. The Food Service Bookkeeper makes daily deposits, writes checks, and completes the monthly reconciliation. There are no controls over compliance with the School Food Accounts requirements.

*Special Tests and Provisions - Verification of Free and Reduced Applications*

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the requirements for the verifications of free and reduced price meal applications are accurately determined. There are no controls to ensure that the verifications of free and reduced price meal applications were completed in compliance with program requirements.

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements that have a direct and material effect on the programs.

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2014-003 - ALLOWABLE COSTS - INDIRECT COSTS**

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: FY2013, FY2014  
Pass-Through Entity: Indiana Department of Education

The School Corporation has not designed or implemented adequate policies and procedures to ensure that funds are expended only for allowable costs of the programs. There are no controls over the calculation of indirect costs charged to the Food Service Program's School Lunch fund. There is also no oversight or review process to ensure that indirect costs are calculated and charged in accordance with Allowable Cost requirements.

The School Corporation charged indirect costs to the Food Service Program's School Lunch fund at a rate of \$0.02 per meal served. The amount claimed as indirect costs is less than the amount calculated based on the indirect cost rate approved for the 2012-2013 school year and the program expenditures. This is not consistent with indirect costs charged to other federal programs. In addition, the School Corporation charged indirect costs to the Food Service Program for the 2013-2014 school year even though they did not apply for an indirect cost rate for that year.

OMB Circular A-133, Subpart C, section .300 states in part:

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

OMB Circular A-87, Attachment A, Subpart C, states in part:

"Basic Guidelines: . . .

- (c) Be authorized or not prohibited under state or local laws and regulations. . . .
- (e) Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- (f) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost. . . ."

OMB Circular A-87, Attachment A, Subpart F, states in part:

"Indirect Costs:

- (1). General. Indirect costs are those:
  - (a) incurred for a common or joint purpose benefiting more than one cost objective, and . . .

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. The term 'indirect costs,' as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs within a governmental unit department or in other agencies providing services to a governmental unit department. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

- (2) Cost allocation plans and indirect cost proposals. 'Requirements for development and submission of cost allocation plans and indirect cost rate proposals are contained in Attachments C, D, and E.'

The failure to establish an effective internal control system could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements. Additionally, we recommended that the School Corporation comply with the Allowable Costs requirements of the programs.

***FINDING 2014-004 - CASH MANAGEMENT***

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: FY2013, FY2014  
Pass-Through Entity: Indiana Department of Education

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the School Lunch fund monthly cash balances were in compliance with the Cash Management requirements of the programs. The School Corporation had process to monitor the cash balances of the School Lunch fund.

The School Lunch fund cash balances were maintained at an amount in excess of three months' average expenditures during our audit period. Monthly reports were not available to test each month; however, the four semiannual reports that were available reported material excess balances. The School Lunch fund had its largest balance of \$1,548,004 at June 30, 2013, which is 12 months of average expenditures for that fiscal year. The School Corporation indicated that they will purchase equipment with the excess cash balances; however, there is not a formal plan to spend down the excess cash balances.

OMB Circular A-133, Subpart C, section .300 states in part:

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

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

7 CFR 210.14(a) states in part: "*Nonprofit school food service.* School food authorities shall maintain a nonprofit school food service."

7 CFR 210.14(b) states: "*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with §210.9(a)."

7 CFR 210.2, defines net cash resources as:

"*Net cash resources* means all monies, as determined in accordance with the State agency's established accounting system, that are available to or have accrued to a school food authority's nonprofit school food services at any given time, less cash payable. Such monies may include, but are not limited to, cash on hand, cash receivable, earnings on investments, cash on deposit and the value of stocks, bonds or other negotiable securities."

The failure to establish an effective internal control system could enable noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in sanctions from the pass-through agency.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements. Additionally, we recommended that the School Corporation comply with the Cash Management requirements of the programs.

**FINDING 2014-005 - PROCUREMENT AND SUSPENSION AND DEBARMENT**

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: FY2013, FY2014  
Pass-Through Entity: Indiana Department of Education

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with the Procurement and Suspension and Debarment requirements of the programs. The School Corporation relied on a consultant from a purchasing cooperative to perform procurements activities and to verify compliance with Suspension and Debarment requirements for their bread and bakery products. There was no oversight, review, or approval process over the consultant's responsibilities. In addition, the School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with the Procurement and Suspension and Debarment requirements for products not purchased through the purchasing cooperative.

The School Corporation did not advertise for bids for dairy purchases during the audit period. Dairy purchases for the audit period was \$206,364. The School Corporation did not verify if the dairy vendors were suspended or debarred.

OMB Circular A-133, Subpart C, section .300 states in part:

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

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

7 CFR 3016.35 states in part:

"Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, 'Debarment and Suspension.'"

7 CFR 3016.36 states in part:

"(b) *Procurement standards:*

- (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.
- (2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement. Additionally, we recommended that the School Corporation comply with the Procurement and Suspension and Debarment requirements of the programs.

***FINDING 2014-006 - PROGRAM INCOME***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Years: FY2013, FY2014

Pass-Through Entity: Indiana Department of Education

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with Program Income requirements. There are no controls to ensure that receipts generated from cafeteria sales are properly recorded.

The School Corporation did not properly record program income generated from the Food Service Programs. All monthly receipts, from sales as well as prepayments, were recorded directly in the School Lunch fund. A fund for prepayments was not established.

OMB Circular A-133, Subpart C, section .300 states in part:

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

TRI-CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

7 CFR 210.14 (c) states:

*"Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. (The School Administrator and Uniform Compliance Guidelines Vol.183)

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements. Additionally, we recommended that the School Corporation comply with the Program Income requirements of the programs.

***FINDING 2014-007 - ACTIVITIES ALLOWED, ALLOWABLE COSTS, PERIOD OF AVAILABILITY***

Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Number and Year: 12-4645, 13-4645, and 14-4645  
Pass-Through Entity: Indiana Department of Education

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the program expenditures were in compliance with requirements for Activities Allowed, Allowable Costs and Period of Availability. The School Corporation Treasurer was responsible for all aspects of the payroll transactions and reporting process. There was no segregation of duties, such as an oversight, review, or approval process.

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements.

#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-001**

Original Assigned SBA Audit Report Number: 2012-001, Allowable Cost, Period of Availability  
Report Period: 7/1/2012 through 6/30/2014  
Pass-Through Entity or Federal Grantor Agency: Town of Lowell  
Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer  
Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant applications are reviewed by the Business Manager and grant program administrators prior to submitting the application. Awarded grants are accepted and approved by the school board. Grant program administrators provide the grant fiscal administrators (Business Manager and Deputy Treasurer) with the full written copy of the approved grant program components and fiscal budget for the grant. The budget parties review the grant and agree on the budget distribution codes for the district's financial system. Grant program administrators approve all grant purchase requisitions prior to the curriculum secretary entering the information in the financial system. The Business Manager reviews all grant purchase requests prior to the printing of the purchase orders and submission to vendors. Grants are reviewed on a quarterly basis by the Business Manager and grant program administrators.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-002**

Original Assigned SBA Audit Report Number: 2012-002, Procurement and Suspension and Debarment

Report Period: 7/1/2012 through 6/30/2014

Pass-Through Entity or Federal Grantor Agency: Town of Lowell; Lakeshore Alliance for Student Success (LASS); Indiana Department of Education

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant applications are reviewed by the Business Manager and grant program administrators prior to submitting the application. Awarded grants are accepted and approved by the school board. Grant program administrators provide the grant fiscal administrators (Business Manager and Deputy Treasurer) with the full written copy of the approved grant program components and fiscal budget for the grant. Proper purchase procedures are discussed and agreed upon during this process. Grant program administrators approve all grant purchase requisitions prior to the Curriculum Secretary entering the information in the financial system. The Business Manager reviews all grant purchase requests prior to the printing of the purchase orders and submission to vendors. Grants are reviewed on a quarterly basis by the Business Manager and grant program administrators.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-003**

Original Assigned SBA Audit Report Number: 2012-3, Cash Management  
Report Period: 7/1/2012 through 6/30/2014  
Pass-Through Entity or Federal Grantor Agency: Town of Lowell  
Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer  
Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant applications are reviewed by the Business Manager and grant program administrators prior to submitting the application. Awarded grants are accepted and approved by the school board. Grant program administrators provide the grant fiscal administrators (Business Manager and Deputy Treasurer) with the full written copy of the approved grant program components and fiscal budget for the grant. Grant program administrators approve all grant purchases prior to their ordering. Reimbursements are prepared by the Curriculum Secretary and presented to the Deputy Treasurer for review prior to submission. Once the reimbursement is received by the district, the Financial Assistant enters a receipt for the reimbursement and presents the receipt to the Treasurer for review and approval. The Deputy Treasurer also reviews the receipt during the bank statement reconciliation process.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-004**

Original Assigned SBA Audit Report Number: 2012-004, Level of Effort/Supplanting  
Report Period: 7/1/2012 through 6/30/2014  
Pass-Through Entity or Federal Grantor Agency: Town of Lowell  
Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer  
Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant applications are reviewed by the Business Manager and grant program administrators prior to submitting the application. Awarded grants are accepted and approved by the school board. Grant program administrators provide the grant fiscal administrators (Business Manager and Deputy Treasurer) with the full written copy of the approved grant program components and fiscal budget for the grant. Proper purchase procedures are discussed and agreed upon during this process. Grant program administrators approve all grant purchase requisitions prior to the Curriculum Secretary entering the information in the financial system. The Business Manager reviews all grant purchase requests prior to the printing of the purchase orders and submission to vendors. Grants are reviewed on a quarterly basis by the Business Manager and grant program administrators.

  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

April 23, 2015  
\_\_\_\_\_  
(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-005**

Original Assigned SBA Audit Report Number: 2012-005, Equipment and Real Property Management  
Report Period: 7/1/2012 through 6/30/2014  
Pass-Through Entity or Federal Grantor Agency: Town of Lowell, Indiana Department of Education  
Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer  
Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

The Technology Department maintains an inventory list of all equipment purchased with grant funds. Updates to this list are made at least annually or as equipment is purchased. The staff member assigned to the equipment takes a physical inventory of the item at the beginning and end of the school year. The inventory is validated by the Technology Department and signed off by the staff member, then supervisor, and then the technology person responsible for the inventory. The spreadsheet for this inventory contains the required components of the state inventory control form.

The district contracts with an outsourced company to maintain a capital asset ledger. The physical inventory of this capital asset ledger is currently in process in the district.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-006**

Original Assigned SBA Audit Report Number: 2012-006, Controls Over Allowable Costs- Fund for the Improvement of Education

Report Period: 7/1/2014 through 6/30/2014

Pass-Through Entity or Federal Grantor Agency: Lakeshore Alliance for Student Success

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant program administrators provide the grant fiscal administrators (Business Manager and Deputy Treasurer) with the full written copy of the approved grant program components and fiscal budget for the grant. Both parties review and monitor the details in order for the Tri-Creek School Corporation (TCSC) to comply with both the program and fiscal requirements of the grant.

Principals work with grant program administrators to establish personnel budgets within grants. Principals make grant personnel recommendations based on the agreed upon personnel budgets to the school board for approval. Principals approve time sheets for all grant personnel expenditures. Grant program administrators approve all grant purchase requisitions prior to the Curriculum Secretary entering the information in the financial system. The Business Manager reviews all grant purchase requests prior to the printing of the purchase orders and submission to vendors. Grants are reviewed on a quarterly basis by the Business Manager and grant program administrators.

Requests for reimbursement and financial reports are prepared by the Curriculum Secretary and reviewed by the Deputy Treasurer and grant program administrator.

The grant program administrators and the Finance Department maintain all program compliance materials.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-007**

Original Assigned SBA Audit Report Number: 2012-007, Controls Over Cash Management-Fund for the Improvement of Education

Report Period: 7/1/2012 through 6/30/2014

Pass-Through Entity or Federal Grantor Agency: Lakeshore Alliance for Student Success

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant program administrators provide the grant fiscal administrators (Business Manager and Deputy Treasurer) with the full written copy of the approved grant program components and fiscal budget for the grant. Both parties review and monitor the details in order for the Tri-Creek School Corporation (TCSC) to comply with both the program and fiscal requirements of the grant.

Requests for reimbursement and financial reports are prepared by the Curriculum Secretary and reviewed by the Deputy Treasurer and grant program administrator. Once the reimbursement is received by the district, the Financial Assistant enters a receipt for the reimbursement and presents the receipt to the Treasurer for review and approval. The Deputy Treasurer also reviews the receipt during the bank statement reconciliation process.

Grants are reviewed on a quarterly basis by the Business Manager and grant program administrators.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-008**

Original Assigned SBA Audit Report Number: 2012-008, Allowable Costs, ARRA- Special Education Grants to States, Recovery Act

Report Period: 7/1/2012 through 6/30/2014

Pass-Through Entity or Federal Grantor Agency: Northwest Indiana Special Education Cooperative

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

First hand supervisors of grant-paid personnel (typically principals) evidence their review and approval of all grant related payroll by signature/date of time sheets prior to procession by TCSC payroll personnel. Time and Effort logs are completed each pay period by all federal grant-paid personnel who are not full (100%) paid through a federal grant fund. Such logs are provided to the grant program administrator and maintained by the Finance Department for record retention. Semi-Annual Certification forms are completed by the Curriculum Secretary and approved by the grant program administrator. Such certificates are maintained by the grant program administrator to meet all grant and record retention requirements.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-009**

Original Assigned SBA Audit Report Number: 2012-009, School Lunch Management Controls, Allowable Costs, Eligibility, Reporting, Special Tests and Provisions

Report Period: 7/1/2012 through 6/30/2014

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

The School Lunch Program submits a monthly report to Finance Department of their monthly activity. The Business Manager reviews the report. The Food Service data is reported on the biannual financial report. The Food Service Annual Financial Report is reviewed by the Business Manager prior to the submission. Requests for reimbursement and financial reports are completed by the Food Service Treasurer and are reviewed and certified by the Food Service Director.

Starting 7/1/2015, the School Lunch Program will operate as a Tri-Creek School Corporation corporation fund rather than an extra-curricular account. Standard corporation oversight and separation of duties related to food service operation will be added. This will coincide with the district's conversion to a new financial management software system.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2012-010**

Original Assigned SBA Audit Report Number: 2012-010, Internal Control Over Compliance- Title I (Allowable Costs, Cash Management, and Reporting)

Report Period: 7/1/2012 through 6/30/2014

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dana M. Bogathy

Contact Phone Number: 219-750-1282

#### Status of Audit Finding:

Grant reports are completed by the Curriculum Secretary and reviewed by the Deputy Treasurer and/or Business Manager and the grant administrator prior to submission.

Requests for reimbursement and financial reports are prepared by the Curriculum Secretary and reviewed by the Deputy Treasurer and grant program administrator. Once the reimbursement is received by the district, the Financial Assistant enters a receipt for the reimbursement and presents the receipt to the Treasurer for review and approval. The Deputy Treasurer also reviews the receipt during the bank statement reconciliation process.

Grants are reviewed on a quarterly basis by the Business Manager and grant program administrators.

  
(Signature)

Treasurer

(Title)

April 23, 2015

(Date)



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## CORRECTIVE ACTION PLAN

### **FINDING 2014-001**

Contact Person Responsible for Corrective Action: Dana M. Bogathy, Treasurer  
Contact Phone Number: 219-696-6661, ext. 1782  
Fiscal Year ending: June 30, 2014

#### Description of Corrective Action Plan:

The school district has implemented a monthly approval process by the Board of School Trustees for all payroll claims, effective July 1, 2015. The Board of School Trustees will approve by signature a monthly summary sheet listing all payroll dates and totals for the month. The Board of School Trustees will also receive supplemental payroll reports to back up the summary sheet information

The district has implemented the following segregation of duties and approvals in regards to the food service program:

- The Food Service Managers will prepare deposits and submit to the Food Service Bookkeeper for review and signature. The Food Service Bookkeeper will record the deposit in the ledger. The Food Service Director will take the deposit to the bank. The Food Service Bookkeeper will compare the bank deposit slip to the ledger and initial.
- Bank reconciliations will be conducted by the Food Service Bookkeeper and approved by signature by the Food Service Director. The Food Service Director and Business Manager will meet quarterly to review reconciliations. This will begin during 1<sup>st</sup> quarter in 2016.

### **FINDING 2014-002**

Contact Person Responsible for Corrective Action: Judy Knight, Food Service Director  
Contact Phone Number: 219-696-6661  
Fiscal Year ending: June 30, 2014

#### Description of Corrective Action Plan:

*Allowable Activities-* The Food Service Director enters the time attendance in to the payroll system for the food service staff. The Food Service Bookkeeper reviews and approves the payroll. The payroll is sent to the Financial Assistant for review and processing. The Business Manager approves the payroll docket prior to submitting the docket to the Board of School Trustees for monthly approval. (Food Service Bookkeeper and Director may switch entry and approval duties in the future.) This process began in July 2015.



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*Eligibility-* The Tri-Creek School Corporation annually uploads the income eligibility guidelines into our food service computer software. The program then determines the applicant's eligibility. Beginning July

2015, the Food Service Bookkeeper will go into the system to verify the guideline amounts were accurately uploaded and will process the free and reduced applications through the system. The Food Service Director will also randomly test some of the computer-generated determinations to verify the software is making the proper eligibility conclusions

*Reporting-* As of July 2015, the Food Service Bookkeeper prepares the monthly reimbursement and Annual Financial Report (AFR). The Food Service Director reviews and approves the reimbursement and AFR submission. The Business Manager will review the AFR with the Food Service Director prior to the submission on an annual basis.

*School Food Account-* The district as of July 1, 2015 has ceased to operate the food service fund as an extra curricular fund and has moved all accounting of the fund over to the corporation financial system to improve oversight of the funds.

*Verification of Free and Reduced Application-* The food service software randomly selects the applications for the verification based on the annual upload of income eligibility. The Food Service Director will review the randomly software selected applications prior to sending out the verification requests. The Food Service Director will review the returned verification materials and determine eligibility. A second individual will review and approve the eligibility determination of the verified applications. Effective November 2015

### **FINDING 2014-003**

Contact Person Responsible for Corrective Action: Dana M. Bogathy, Business Manager

Contact Phone Number: 219-696-6661, ext. 1282

Fiscal Year ending: June 30, 2014

#### **Description of Corrective Action Plan:**

Tri-Creek School Corporation will discontinue the practice of charging an indirect cost \$0.02 per meal served to the food service fund, effective July 2015. The district will use the established indirect cost rate if it deems necessary.



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**FINDING 2014-004**

Contact Person Responsible for Corrective Action: Judy Knight, Food Service Director

Contact Phone Number: 219-696-6661

Fiscal Year ending: June 30, 2014

Description of Corrective Action Plan:

The Tri-Creek School Corporation will implement procedures to ensure to limit net cash resources to 3 months' average expenditures by June 2016. Such procedures shall include, but not be limited to:

- The Tri-Creek School Corporation will evaluate the possibility of using the indirect cost rate
- The Food Service Director will submit a list of necessary equipment purchases to the Business Manager by March 2016
- The Food Service Director will evaluate the ala-carte pricing and submit a recommended list of pricing adjustments to the Business Manager by March 2016.
- The Food Service Director will evaluate other program areas and make recommendations to the Business Manager for consideration by March 2016

**FINDING 2014-005**

Contact Person Responsible for Corrective Action: Judy Knight, Food Service Director

Contact Phone Number: 219-696-6661

Fiscal Year ending: June 30, 2014

Description of Corrective Action Plan:

The Food Service Director will properly advertise all necessary bids within the standards of all applicable State, local laws and regulations, effective immediately. The Food Service Bookkeeper will verify the vendor for suspension and disbarment. The Food Service Director will make the recommendation to the Board of School Trustees for all vendors selected after the Business reviews the recommendation.

**FINDING 2014-006**

Contact Person Responsible for Corrective Action: Judy Knight, Food Service Director

Contact Phone Number: 219-696-6661

Fiscal Year ending: June 30, 2014

Description of Corrective Action Plan:

The district as of July 1, 2015 has ceased to operate the food service fund as an extra curricular fund and has moved all accounting of the fund over to the corporation financial system to better improve oversight of the funds. The district has implemented 3 separate funds for the food service program- payroll reconciliation of the funds have been established, effective August 2015.



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**FINDING 2014-007**

Contact Person Responsible for Corrective Action: Dana M. Bogathy, Business Manager

Contact Phone Number: 219-696-6661, ext. 1282

Fiscal Year ending: June 30, 2014

**Description of Corrective Action Plan:**

Effective July 2015, payroll approvals are approved by their respective Title I building principal and will be indicated by signature on the payroll register. The district Title I Coordinator will review program expenditures and reimbursements with the Curriculum Secretary and Business Office personnel on a quarterly basis as indicated by signing a copy of the reimbursement requests for that period.

Signed

Business Manager  
Title

1/14/14  
Date

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.