

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, 2014 to June 30, 2016



FILED
01/19/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dana Bogathy	07-01-14 to 06-30-18
Superintendent of Schools	Dr. Debra K. Howe	07-01-14 to 06-30-18
President of the School Board	Douglas Ward	07-01-14 to 06-30-18



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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, 2014 to June 30, 2016, 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 from 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 to 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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 and Schedule of Leases and Debt, 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 December 7, 2017, 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

December 7, 2017



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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, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated December 7, 2017, 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 a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation'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 2016-001 to be a material weakness.

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 from 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

December 7, 2017

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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, 2015 and 2016

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-14	Receipts	Disbursements		06-30-15	Receipts	Disbursements		
General	\$ 4,329,414	\$ 20,203,440	\$ 21,368,023	\$ -	\$ 3,164,831	\$ 20,847,568	\$ 21,244,554	\$ -	\$ 2,767,845
Debt Service	847,441	706,314	1,120,495	-	433,260	1,783,015	1,655,696	-	560,579
Exempt Debt	3,838,752	7,395,469	7,453,113	-	3,781,108	6,561,774	6,833,186	-	3,509,696
Exempt Pension Debt	130,298	227,877	235,736	-	122,439	195,308	226,457	-	91,290
Capital Projects	1,302,699	2,122,647	2,087,899	-	1,337,447	2,258,907	2,390,913	17,742	1,223,183
School Transportation	772,347	1,704,209	1,734,029	-	742,527	1,793,526	1,669,984	-	866,069
School Bus Replacement	269,689	455,664	445,918	-	279,435	471,968	427,915	-	323,488
Rainy Day	2,438,573	-	-	-	2,438,573	-	-	-	2,438,573
Retirement/Severance Bond	514,678	-	26,977	-	487,701	-	20,158	-	467,543
Post-Retirement/Severance Future Benefits	255,017	-	835	-	254,182	-	-	-	254,182
Construction	184,576	-	47,507	-	137,069	-	-	-	137,069
Construction - 2015 Bonds	-	-	1,683,090	-	(1,683,090)	5,885,924	4,210,260	-	(7,426)
Construction - 2016 Renovations	-	-	-	-	-	-	34,264	-	(34,264)
Middle School Construction	489,841	-	383,708	-	106,133	-	32,500	-	73,633
2013 Bonds	673,544	35,583	119,520	-	589,607	9,696	490,292	-	109,011
Construction - HVAC Three Creeks	-	-	503,764	-	(503,764)	566,323	62,559	-	-
Lake Prairie Projects	(58,367)	118,299	89,456	-	(29,524)	29,524	-	-	-
Transportation Center	(38,077)	1,085,140	2,152,394	-	(1,105,331)	3,503,285	2,237,070	-	160,884
Oak Hill Refinance Center	44,193	-	44,193	-	-	-	-	-	-
2006 GO Bonds	94,787	-	4,839	-	89,948	-	9,760	-	80,188
School Lunch	1,467,716	1,260,151	1,239,959	(23,300)	1,464,608	1,330,821	1,360,813	-	1,434,616
Textbook Rental	462,352	190,218	223,432	-	429,138	312,826	233,068	-	508,896
Levy Excess	-	-	-	-	-	1,518	-	-	1,518
Joint Services and Supply - Area Vocational School	28,440	-	3,992	-	24,448	-	16,305	-	8,143
Educational License Plates	8,985	506	-	-	9,491	638	-	-	10,129
Alternative Education	8,532	21,440	24,548	-	5,424	33,039	-	-	38,463
Early Intervention 14-15	-	10,000	10,000	-	-	-	-	-	-
Early Intervention 15-16	-	-	-	-	-	-	4,156	-	(4,156)
Tri-Kappa Donations	1,126	-	-	-	1,126	-	-	-	1,126
Lake Prairie Mobile Grant	11	500	-	-	511	-	506	-	5
Lake Prairie Library Books (donation)	47	-	-	-	47	-	-	-	47
Instructional Support	148	-	-	-	148	-	-	-	148
Local eLearning Donations	(914)	8,810	4,357	-	3,539	5,750	11,815	-	(2,526)
Lake Prairie Smart Grant	36	-	2	-	34	-	-	-	34
Local Parking Fund	8,685	16	-	-	8,701	738	-	-	9,439
Tri-Creek Education Foundation Grants 10/11	2,833	-	100	-	2,733	-	-	-	2,733
Foundation Grants 11/12	8,651	-	814	-	7,837	-	-	-	7,837
Foundation Grants 12/13	1,443	-	-	-	1,443	-	-	-	1,443
Foundation Grants 13/14	9,620	-	6,100	-	3,520	750	882	-	3,388
Foundation Grants 14/15	-	32,059	22,820	-	9,239	-	5,656	-	3,583
Foundation Grants 15/16	-	-	-	-	-	32,394	21,531	-	10,863
State Farm MADD Grant	1,250	-	-	-	1,250	1,250	1,250	-	1,250
Local Donation - Dollar Tree	-	960	960	-	-	-	-	-	-
PLTW Grant 15-18	-	20,000	-	-	20,000	15,000	18,485	-	16,515
Target Grant - Three Creeks	1,319	658	1,975	-	2	-	-	-	2
Target Grant - Lake Prairie	-	300	300	-	-	-	-	-	-
BP Grant - Lake Prairie	-	300	276	-	24	-	-	-	24
BP Grant - Lake Prairie 15/16	-	-	-	-	-	500	215	-	285
BP Grant	-	300	-	-	300	-	-	-	300
Pepsi Marketing Rebate 2010-2011	12,086	-	221	-	11,865	-	987	-	10,878
Pepsi Marketing Funds 2002-2003	15,000	-	7,176	1,966	9,790	-	2,791	-	6,999
Pepsi 2003-2004	-	23,613	8,031	-	15,582	-	2,711	-	12,871
Pepsi Marketing 2004-2005	-	-	-	-	-	38,205	-	-	38,205

TRI-CREEK SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
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 For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-14	Receipts	Disbursements		06-30-15	Receipts	Disbursements		
Pepsi Marketing Rebate 2005-2006	2,793	-	141	(1,966)	686	-	130	-	556
Pepsi Marketing Rebate 2006-2007	150	-	-	-	150	-	-	-	150
Pepsi Marketing Rebate 2007-2008	4,194	-	1,134	-	3,060	-	299	-	2,761
Pepsi Marketing Rebate 2008-2009	4,559	-	-	-	4,559	-	1,788	-	2,771
Pepsi Marketing Rebate 2009-2010	6,549	-	1,557	-	4,992	-	39	-	4,953
Formative Assessment	-	-	-	-	-	27,313	27,313	-	-
Common Sch Fd 3191	-	-	327,180	-	(327,180)	327,180	-	-	-
Common School Fund 3192	-	-	-	-	-	-	327,704	-	(327,704)
Common School Fund 3193	-	-	-	-	-	-	63,990	-	(63,990)
Professional Development CSL Loan# A1599	10,030	-	253	-	9,777	-	-	-	9,777
STAA CSL Loan # A1777	(70,212)	70,212	-	-	-	-	-	-	-
Common School Tech Loan # 1804	(15,958)	179,973	164,015	-	-	-	-	-	-
High Ability 13-14	21,881	-	21,881	-	-	-	-	-	-
High Ability 14-15	-	40,099	23,443	-	16,656	-	17,044	-	(388)
High Ability 15-16	-	-	-	-	-	40,320	26,086	-	14,234
NESP Grant 13-14	223	-	223	-	-	-	-	-	-
NESP Grant 14-15	-	4,855	1,184	-	3,671	-	3,971	-	(300)
NESP Grant 15-16	-	-	-	-	-	9,021	4,974	-	4,047
E-Rate Tech Fund	39,223	44,725	13,100	-	70,848	500,559	84,889	-	486,518
E-Rate Tech 3722	-	5,071	3,562	-	1,509	-	-	-	1,509
Performance Based Awards	-	130,906	126,337	-	4,569	131,308	128,212	-	7,665
Local Donation- Artist IN Resid	149	-	-	-	149	500	207	-	442
Title I 13-14	(75,229)	142,437	67,208	-	-	-	-	-	-
Title I 14-15	-	333,051	394,326	-	(61,275)	110,081	53,925	-	(5,119)
Title I 15-16	-	-	-	-	-	297,534	309,200	-	(11,666)
Title III - Energy Conservation	-	-	-	-	-	100,000	100,000	-	-
Perkins Grant FY 13-14	(17,581)	113,780	96,194	-	5	-	-	-	5
Perkins Grant FY 14-15	-	20,444	69,446	-	(49,002)	95,998	46,996	-	-
Perkins Grant FY 15-16	-	-	-	-	-	42,462	57,212	-	(14,750)
Small Learning Fund FY 14	417	-	417	-	-	-	-	-	-
Title II Part A FY 12	(355)	28,125	27,770	-	-	-	-	-	-
Title II Part A FY 13	9,456	14,230	24,784	-	(1,098)	26,173	25,075	-	-
Title II Part A eLearning Conference 13/14	(236)	16,000	15,764	-	-	-	-	-	-
Title II Part A FY 14	-	8,124	8,124	-	-	59,884	54,634	-	5,250
Title II Part A eLearning Conference 14/15	-	-	4,398	-	(4,398)	-	3,668	-	(8,066)
Title III FY 14	(637)	8,107	4,005	-	3,465	-	(86)	-	3,551
Title III FY 15	-	-	5,686	-	(5,686)	3,206	1,290	-	(3,770)
Title III FY 16	-	-	-	-	-	2,315	3,855	-	(1,540)
Secured Schools FY 2014	-	-	32,363	-	(32,363)	45,246	1,094	-	11,789
Secured Schools FY 2015	-	-	-	-	-	-	46,375	-	(46,375)
Food Service Clearing	24,045	983,137	946,034	-	61,148	1,028,519	1,131,257	-	(41,590)
Textbook Rental Clearing	30,311	195,537	71,845	-	154,003	71,477	102,596	-	122,884
Prepaid Lunch	-	-	-	23,300	23,300	732,917	730,981	-	25,236
Payroll Withholdings	162,831	4,976,288	4,960,427	-	178,692	10,200,582	10,154,724	-	224,550
Totals	<u>\$ 18,263,374</u>	<u>\$ 42,939,574</u>	<u>\$ 48,469,360</u>	<u>\$ -</u>	<u>\$ 12,733,588</u>	<u>\$ 59,532,842</u>	<u>\$ 56,736,181</u>	<u>\$ 17,742</u>	<u>\$ 15,547,991</u>

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, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

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

Transfers in. Amounts 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. Amounts 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: 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 are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
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.

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

C. 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 Corporation 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.

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. For some funds, this is a result of expending funds prior to receipt of funding for construction projects and repairs. For other funds, it is a result of the funds being set up for reimbursable grants. The reimbursements for the expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

Note 8. 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). 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 ended June 30, 2015 and 2016, totaled \$6,930,638 and \$6,997,513, respectively.

Note 9. Subsequent Events

During the 2016-2017 school year, the School Board approved a capital project for the renovations of all schools, including a roof replacement project at Lowell High School. The cost of the project will be approximately \$15,819,145, which will be funded by a bond issue from the School Corporation's holding corporation. During this time, the School Board approved a refunding of the 2006 and 2007 bond issuances in the total amount of \$15,045,000. Also during this time, the School Board approved a capital project for the solar arrays at Lowell Middle School, Oak Hill Elementary School, Lake Prairie Elementary School, and Three Creeks Elementary School. The cost of the project will be approximately \$3,075,000, which will be funded by a general obligation bond.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports 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, 2015

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits
Cash and investments - beginning	\$ 4,329,414	\$ 847,441	\$ 3,838,752	\$ 130,298	\$ 1,302,699	\$ 772,347	\$ 269,689	\$ 2,438,573	\$ 514,678	\$ 255,017
Receipts:										
Local sources	417,543	691,095	7,395,469	227,877	2,019,217	1,693,258	455,664	-	-	-
Intermediate sources	294,041	-	-	-	-	-	-	-	-	-
State sources	19,491,856	-	-	-	-	-	-	-	-	-
Federal sources	-	15,219	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	103,430	10,951	-	-	-	-
Total receipts	20,203,440	706,314	7,395,469	227,877	2,122,647	1,704,209	455,664	-	-	-
Disbursements:										
Instruction	14,690,481	-	-	-	-	-	-	-	-	-
Support services	6,615,379	-	-	-	1,859,971	1,734,029	445,918	-	26,977	835
Noninstructional services	62,163	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	227,928	-	-	-	-	-
Debt service	-	1,120,495	7,453,113	235,736	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,368,023	1,120,495	7,453,113	235,736	2,087,899	1,734,029	445,918	-	26,977	835
Excess (deficiency) of receipts over disbursements	(1,164,583)	(414,181)	(57,644)	(7,859)	34,748	(29,820)	9,746	-	(26,977)	(835)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,164,583)	(414,181)	(57,644)	(7,859)	34,748	(29,820)	9,746	-	(26,977)	(835)
Cash and investments - ending	\$ 3,164,831	\$ 433,260	\$ 3,781,108	\$ 122,439	\$ 1,337,447	\$ 742,527	\$ 279,435	\$ 2,438,573	\$ 487,701	\$ 254,182

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, 2015

	Construction	Construction - 2015 Bonds	Construction - 2016 Renovations	Middle School Construction	2013 Bonds	Construction - HVAC Three Creeks	Lake Prairie Projects	Transportation Center	Oak Hill Refinance Center	2006 GO Bonds
Cash and investments - beginning	\$ 184,576	\$ -	\$ -	\$ 489,841	\$ 673,544	\$ -	\$ (58,367)	\$ (38,077)	\$ 44,193	\$ 94,787
Receipts:										
Local sources	-	-	-	-	-	-	118,299	1,085,140	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	35,583	-	-	-	-	-
Total receipts	-	-	-	-	35,583	-	118,299	1,085,140	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	11,469	1,678,249	-	140,718	2,389	-	271	3,720	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	36,038	4,841	-	242,990	117,131	503,764	89,185	2,148,674	44,193	4,839
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	47,507	1,683,090	-	383,708	119,520	503,764	89,456	2,152,394	44,193	4,839
Excess (deficiency) of receipts over disbursements	(47,507)	(1,683,090)	-	(383,708)	(83,937)	(503,764)	28,843	(1,067,254)	(44,193)	(4,839)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(47,507)	(1,683,090)	-	(383,708)	(83,937)	(503,764)	28,843	(1,067,254)	(44,193)	(4,839)
Cash and investments - ending	\$ 137,069	\$ (1,683,090)	\$ -	\$ 106,133	\$ 589,607	\$ (503,764)	\$ (29,524)	\$ (1,105,331)	\$ -	\$ 89,948

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, 2015

	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Area Vocational School	Educational License Plates	Alternative Education	Early Intervention 14-15	Early Intervention 15-16	Tri-Kappa Donations	Lake Prairie Mobile Grant
Cash and investments - beginning	\$ 1,467,716	\$ 462,352	\$ -	\$ 28,440	\$ 8,985	\$ 8,532	\$ -	\$ -	\$ 1,126	\$ 11
Receipts:										
Local sources	795,744	126,869	-	-	-	-	-	-	-	500
Intermediate sources	-	-	-	-	506	-	-	-	-	-
State sources	23,512	63,349	-	-	-	21,440	10,000	-	-	-
Federal sources	440,895	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,260,151	190,218	-	-	506	21,440	10,000	-	-	500
Disbursements:										
Instruction	-	-	-	3,992	-	24,548	10,000	-	-	-
Support services	-	223,432	-	-	-	-	-	-	-	-
Noninstructional services	1,239,959	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,239,959	223,432	-	3,992	-	24,548	10,000	-	-	-
Excess (deficiency) of receipts over disbursements	20,192	(33,214)	-	(3,992)	506	(3,108)	-	-	-	500
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(23,300)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(23,300)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,108)	(33,214)	-	(3,992)	506	(3,108)	-	-	-	500
Cash and investments - ending	\$ 1,464,608	\$ 429,138	\$ -	\$ 24,448	\$ 9,491	\$ 5,424	\$ -	\$ -	\$ 1,126	\$ 511

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, 2015

	Lake Prairie Library Books (donation)	Instructional Support	Local eLearning Donations	Lake Prairie Smart Grant	Local Parking Fund	Tri-Creek Education Foundation Grants 10/11	Foundation Grants 11/12	Foundation Grants 12/13	Foundation Grants 13/14	Foundation Grants 14/15
Cash and investments - beginning	\$ 47	\$ 148	\$ (914)	\$ 36	\$ 8,685	\$ 2,833	\$ 8,651	\$ 1,443	\$ 9,620	\$ -
Receipts:										
Local sources	-	-	8,810	-	16	-	-	-	-	32,059
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	8,810	-	16	-	-	-	-	32,059
Disbursements:										
Instruction	-	-	-	2	-	100	814	-	5,676	22,820
Support services	-	-	4,357	-	-	-	-	-	424	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	4,357	2	-	100	814	-	6,100	22,820
Excess (deficiency) of receipts over disbursements	-	-	4,453	(2)	16	(100)	(814)	-	(6,100)	9,239
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	4,453	(2)	16	(100)	(814)	-	(6,100)	9,239
Cash and investments - ending	\$ 47	\$ 148	\$ 3,539	\$ 34	\$ 8,701	\$ 2,733	\$ 7,837	\$ 1,443	\$ 3,520	\$ 9,239

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, 2015

	Foundation Grants 15/16	State Farm MADD Grant	Local Donation - Dollar Tree	PLTW Grant 15-18	Target Grant - Three Creeks	Target Grant - Lake Prairie	BP Grant - Lake Prairie	BP Grant - Lake Prairie 15/16	BP Grant	Pepsi Marketing Rebate 2010-2011
Cash and investments - beginning	\$ -	\$ 1,250	\$ -	\$ -	\$ 1,319	\$ -	\$ -	\$ -	\$ -	\$ 12,086
Receipts:										
Local sources	-	-	960	20,000	658	300	300	-	300	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	960	20,000	658	300	300	-	300	-
Disbursements:										
Instruction	-	-	-	-	1,975	300	276	-	-	142
Support services	-	-	960	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	79
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	960	-	1,975	300	276	-	-	221
Excess (deficiency) of receipts over disbursements	-	-	-	20,000	(1,317)	-	24	-	300	(221)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	20,000	(1,317)	-	24	-	300	(221)
Cash and investments - ending	\$ -	\$ 1,250	\$ -	\$ 20,000	\$ 2	\$ -	\$ 24	\$ -	\$ 300	\$ 11,865

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, 2015

	Pepsi Marketing Funds 2002-2003	Pepsi 2003-2004	Pepsi Marketing 2004-2005	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	Formative Assessment	Common Sch Fd 3191
Cash and investments - beginning	\$ 15,000	\$ -	\$ -	\$ 2,793	\$ 150	\$ 4,194	\$ 4,559	\$ 6,549	\$ -	\$ -
Receipts:										
Local sources	-	23,613	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	23,613	-	-	-	-	-	-	-	-
Disbursements:										
Instruction	4,405	-	-	141	-	1,134	-	503	-	-
Support services	-	-	-	-	-	-	-	-	-	327,180
Noninstructional services	2,771	8,031	-	-	-	-	-	1,054	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,176	8,031	-	141	-	1,134	-	1,557	-	327,180
Excess (deficiency) of receipts over disbursements	(7,176)	15,582	-	(141)	-	(1,134)	-	(1,557)	-	(327,180)
Other financing sources (uses):										
Transfers in	1,966	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(1,966)	-	-	-	-	-	-
Total other financing sources (uses)	1,966	-	-	(1,966)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,210)	15,582	-	(2,107)	-	(1,134)	-	(1,557)	-	(327,180)
Cash and investments - ending	\$ 9,790	\$ 15,582	\$ -	\$ 686	\$ 150	\$ 3,060	\$ 4,559	\$ 4,992	\$ -	\$ (327,180)

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, 2015

	Common School Fund 3192	Common School Fund 3193	Professional Development CSL Loan# A1599	STAA CSL Loan # A1777	Common School Tech Loan # 1804	High Ability 13-14	High Ability 14-15	High Ability 15-16	NESP Grant 13-14	NESP Grant 14-15
Cash and investments - beginning	\$ -	\$ -	\$ 10,030	\$ (70,212)	\$ (15,958)	\$ 21,881	\$ -	\$ -	\$ 223	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	70,212	179,973	-	40,099	-	-	4,855
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	70,212	179,973	-	40,099	-	-	4,855
Disbursements:										
Instruction	-	-	-	-	164,015	20,498	23,443	-	-	-
Support services	-	-	253	-	-	1,383	-	-	-	584
Noninstructional services	-	-	-	-	-	-	-	-	223	600
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	253	-	164,015	21,881	23,443	-	223	1,184
Excess (deficiency) of receipts over disbursements	-	-	(253)	70,212	15,958	(21,881)	16,656	-	(223)	3,671
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(253)	70,212	15,958	(21,881)	16,656	-	(223)	3,671
Cash and investments - ending	\$ -	\$ -	\$ 9,777	\$ -	\$ -	\$ -	\$ 16,656	\$ -	\$ -	\$ 3,671

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, 2015

	NESP Grant 15-16	E-Rate Tech Fund	E-Rate Tech 3722	Performance Based Awards	Local Donation- Artist IN Resid	Title I 13-14	Title I 14-15	Title I 15-16	Title III - Energy Conservation	Perkins Grant FY 13-14
Cash and investments - beginning	\$ -	\$ 39,223	\$ -	\$ -	\$ 149	\$ (75,229)	\$ -	\$ -	\$ -	\$ (17,581)
Receipts:										
Local sources	-	-	5,071	-	-	-	-	-	-	-
Intermediate sources	-	35,314	-	-	-	-	-	-	-	-
State sources	-	9,411	-	130,906	-	-	-	-	-	-
Federal sources	-	-	-	-	-	142,437	333,051	-	-	113,780
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	44,725	5,071	130,906	-	142,437	333,051	-	-	113,780
Disbursements:										
Instruction	-	-	-	121,953	-	37,035	333,357	-	-	96,194
Support services	-	13,100	3,562	4,384	-	29,963	58,962	-	-	-
Noninstructional services	-	-	-	-	-	210	2,007	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,100	3,562	126,337	-	67,208	394,326	-	-	96,194
Excess (deficiency) of receipts over disbursements	-	31,625	1,509	4,569	-	75,229	(61,275)	-	-	17,586
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	31,625	1,509	4,569	-	75,229	(61,275)	-	-	17,586
Cash and investments - ending	\$ -	\$ 70,848	\$ 1,509	\$ 4,569	\$ 149	\$ -	\$ (61,275)	\$ -	\$ -	\$ 5

TRI-CREEK SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2015

	Perkins Grant FY 14-15	Perkins Grant FY 15-16	Small Learning Fund FY 14	Title II Part A FY 12	Title II Part A FY 13	Title II Part A eLearning Conference 13/14	Title II Part A FY 14	Title II Part A eLearning Conference 14/15	Title III FY 14	Title III FY 15
Cash and investments - beginning	\$ -	\$ -	\$ 417	\$ (355)	\$ 9,456	\$ (236)	\$ -	\$ -	\$ (637)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	20,444	-	-	28,125	14,230	16,000	8,124	-	8,107	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	20,444	-	-	28,125	14,230	16,000	8,124	-	8,107	-
Disbursements:										
Instruction	69,446	-	417	-	-	-	-	-	-	-
Support services	-	-	-	27,770	24,784	15,764	8,124	4,398	4,005	5,686
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	69,446	-	417	27,770	24,784	15,764	8,124	4,398	4,005	5,686
Excess (deficiency) of receipts over disbursements	(49,002)	-	(417)	355	(10,554)	236	-	(4,398)	4,102	(5,686)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(49,002)	-	(417)	355	(10,554)	236	-	(4,398)	4,102	(5,686)
Cash and investments - ending	\$ (49,002)	\$ -	\$ -	\$ -	\$ (1,098)	\$ -	\$ -	\$ (4,398)	\$ 3,465	\$ (5,686)

TRI-CREEK SCHOOL CORPORATION
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 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	Title III FY16	Secured Schools FY 2014	Secured Schools FY 2015	Food Service Clearing	Textbook Rental Clearing	Prepaid Lunch	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 24,045	\$ 30,311	\$ -	\$ 162,831	\$ 18,263,374
Receipts:								
Local sources	-	-	-	-	-	-	-	15,118,762
Intermediate sources	-	-	-	-	-	-	-	329,861
State sources	-	-	-	-	-	-	-	20,045,613
Federal sources	-	-	-	-	-	-	-	1,140,412
Other receipts	-	-	-	983,137	195,537	-	4,976,288	6,304,926
Total receipts	-	-	-	983,137	195,537	-	4,976,288	42,939,574
Disbursements:								
Instruction	-	-	-	-	-	-	-	15,633,667
Support services	-	11,680	-	-	-	-	-	13,290,680
Noninstructional services	-	-	-	-	-	-	-	1,317,097
Facilities acquisition and construction	-	20,683	-	-	-	-	-	3,440,266
Debt service	-	-	-	-	-	-	-	8,809,344
Nonprogrammed charges	-	-	-	946,034	71,845	-	4,960,427	5,978,306
Total disbursements	-	32,363	-	946,034	71,845	-	4,960,427	48,469,300
Excess (deficiency) of receipts over disbursements	-	(32,363)	-	37,103	123,692	-	15,861	(5,529,786)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	23,300	-	25,266
Transfers out	-	-	-	-	-	-	-	(25,266)
Total other financing sources (uses)	-	-	-	-	-	23,300	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(32,363)	-	37,103	123,692	23,300	15,861	(5,529,786)
Cash and investments - ending	\$ -	\$ (32,363)	\$ -	\$ 61,148	\$ 154,003	\$ 23,300	\$ 178,692	\$ 12,733,588

TRI-CREEK SCHOOL CORPORATION
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 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2016

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits
Cash and investments - beginning	\$ 3,164,831	\$ 433,260	\$ 3,781,108	\$ 122,439	\$ 1,337,447	\$ 742,527	\$ 279,435	\$ 2,438,573	\$ 487,701	\$ 254,182
Receipts:										
Local sources	555,401	1,767,764	6,561,774	195,308	2,058,370	1,793,300	471,968	-	-	-
Intermediate sources	196,626	-	-	-	-	-	-	-	-	-
State sources	20,095,541	-	-	-	-	-	-	-	-	-
Federal sources	-	15,251	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	200,537	226	-	-	-	-
Total receipts	20,847,568	1,783,015	6,561,774	195,308	2,258,907	1,793,526	471,968	-	-	-
Disbursements:										
Instruction	14,354,722	-	-	-	-	-	-	-	-	-
Support services	6,799,006	-	-	-	1,742,191	1,669,984	427,915	-	20,158	-
Noninstructional services	90,826	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	648,722	-	-	-	-	-
Debt service	-	1,655,696	6,833,186	226,457	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,244,554	1,655,696	6,833,186	226,457	2,390,913	1,669,984	427,915	-	20,158	-
Excess (deficiency) of receipts over disbursements	(396,986)	127,319	(271,412)	(31,149)	(132,006)	123,542	44,053	-	(20,158)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	17,742	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	17,742	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(396,986)	127,319	(271,412)	(31,149)	(114,264)	123,542	44,053	-	(20,158)	-
Cash and investments - ending	\$ 2,767,845	\$ 560,579	\$ 3,509,696	\$ 91,290	\$ 1,223,183	\$ 866,069	\$ 323,488	\$ 2,438,573	\$ 467,543	\$ 254,182

TRI-CREEK SCHOOL CORPORATION
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 For the Year Ended June 30, 2016

	Construction	Construction - 2015 Bonds	Construction - 2016 Renovations	Middle School Construction	2013 Bonds	Construction - HVAC Three Creeks	Lake Prairie Projects	Transportation Center	Oak Hill Refinance Center	2006 GO Bonds
Cash and investments - beginning	\$ 137,069	\$ (1,683,090)	\$ -	\$ 106,133	\$ 589,607	\$ (503,764)	\$ (29,524)	\$ (1,105,331)	\$ -	\$ 89,948
Receipts:										
Local sources	-	5,885,924	-	-	9,696	566,323	29,524	3,503,285	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	5,885,924	-	-	9,696	566,323	29,524	3,503,285	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	13,987	-	-	-	-	-	604	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	4,196,273	34,264	32,500	490,292	62,559	-	2,236,466	-	9,760
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,210,260	34,264	32,500	490,292	62,559	-	2,237,070	-	9,760
Excess (deficiency) of receipts over disbursements	-	1,675,664	(34,264)	(32,500)	(480,596)	503,764	29,524	1,266,215	-	(9,760)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,675,664	(34,264)	(32,500)	(480,596)	503,764	29,524	1,266,215	-	(9,760)
Cash and investments - ending	\$ 137,069	\$ (7,426)	\$ (34,264)	\$ 73,633	\$ 109,011	\$ -	\$ -	\$ 160,884	\$ -	\$ 80,188

TRI-CREEK SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2016

	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Area Vocational School	Educational License Plates	Alternative Education	Early Intervention 14-15	Early Intervention 15-16	Tri-Kappa Donations	Lake Prairie Mobile Grant
Cash and investments - beginning	\$ 1,464,608	\$ 429,138	\$ -	\$ 24,448	\$ 9,491	\$ 5,424	\$ -	\$ -	\$ 1,126	\$ 511
Receipts:										
Local sources	747,593	231,575	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	638	-	-	-	-	-
State sources	22,506	81,251	-	-	-	33,039	-	-	-	-
Federal sources	560,722	-	-	-	-	-	-	-	-	-
Other receipts	-	-	1,518	-	-	-	-	-	-	-
Total receipts	1,330,821	312,826	1,518	-	638	33,039	-	-	-	-
Disbursements:										
Instruction	-	-	-	16,305	-	-	-	4,156	-	506
Support services	-	233,068	-	-	-	-	-	-	-	-
Noninstructional services	1,360,813	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,360,813	233,068	-	16,305	-	-	-	4,156	-	506
Excess (deficiency) of receipts over disbursements	(29,992)	79,758	1,518	(16,305)	638	33,039	-	(4,156)	-	(506)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,992)	79,758	1,518	(16,305)	638	33,039	-	(4,156)	-	(506)
Cash and investments - ending	\$ 1,434,616	\$ 508,896	\$ 1,518	\$ 8,143	\$ 10,129	\$ 38,463	\$ -	\$ (4,156)	\$ 1,126	\$ 5

TRI-CREEK SCHOOL CORPORATION
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 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
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	Lake Prairie Library Books (donation)	Instructional Support	Local eLearning Donations	Lake Prairie Smart Grant	Local Parking Fund	Tri-Creek Education Foundation Grants 10/11	Foundation Grants 11/12	Foundation Grants 12/13	Foundation Grants 13/14	Foundation Grants 14/15
Cash and investments - beginning	\$ 47	\$ 148	\$ 3,539	\$ 34	\$ 8,701	\$ 2,733	\$ 7,837	\$ 1,443	\$ 3,520	\$ 9,239
Receipts:										
Local sources	-	-	5,750	-	738	-	-	-	750	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	5,750	-	738	-	-	-	750	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	5,656
Support services	-	-	11,815	-	-	-	-	-	882	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	11,815	-	-	-	-	-	882	5,656
Excess (deficiency) of receipts over disbursements	-	-	(6,065)	-	738	-	-	-	(132)	(5,656)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(6,065)	-	738	-	-	-	(132)	(5,656)
Cash and investments - ending	\$ 47	\$ 148	\$ (2,526)	\$ 34	\$ 9,439	\$ 2,733	\$ 7,837	\$ 1,443	\$ 3,388	\$ 3,583

TRI-CREEK SCHOOL CORPORATION
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	Foundation Grants 15/16	State Farm MADD Grant	Local Donation - Dollar Tree	PLTW Grant 15-18	Target Grant - Three Creeks	Target Grant - Lake Prairie	BP Grant - Lake Prairie	BP Grant - Lake Prairie 15/16	BP Grant	Pepsi Marketing Rebate 2010-2011
Cash and investments - beginning	\$ -	\$ 1,250	\$ -	\$ 20,000	\$ 2	\$ -	\$ 24	\$ -	\$ 300	\$ 11,865
Receipts:										
Local sources	32,394	1,250	-	15,000	-	-	500	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	32,394	1,250	-	15,000	-	-	500	-	-	-
Disbursements:										
Instruction	20,569	-	-	18,485	-	-	215	-	-	-
Support services	962	1,250	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	987
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,531	1,250	-	18,485	-	-	215	-	-	987
Excess (deficiency) of receipts over disbursements	10,863	-	-	(3,485)	-	-	285	-	-	(987)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,863	-	-	(3,485)	-	-	285	-	-	(987)
Cash and investments - ending	\$ 10,863	\$ 1,250	\$ -	\$ 16,515	\$ 2	\$ -	\$ 285	\$ 300	\$ 10,878	

TRI-CREEK SCHOOL CORPORATION
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 For the Year Ended June 30, 2016

	Pepsi Marketing Funds 2002-2003	Pepsi 2003-2004	Pepsi Marketing 2004-2005	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	Formative Assessment	Common Sch Fd 3191
Cash and investments - beginning	\$ 9,790	\$ 15,582	\$ -	\$ 686	\$ 150	\$ 3,060	\$ 4,559	\$ 4,992	\$ -	\$ (327,180)
Receipts:										
Local sources	-	-	38,205	-	-	-	-	-	-	327,180
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	27,313	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	38,205	-	-	-	-	-	27,313	327,180
Disbursements:										
Instruction	2,569	2,711	-	130	-	299	1,788	39	-	-
Support services	-	-	-	-	-	-	-	-	27,313	-
Noninstructional services	222	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,791	2,711	-	130	-	299	1,788	39	27,313	-
Excess (deficiency) of receipts over disbursements	(2,791)	(2,711)	38,205	(130)	-	(299)	(1,788)	(39)	-	327,180
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,791)	(2,711)	38,205	(130)	-	(299)	(1,788)	(39)	-	327,180
Cash and investments - ending	\$ 6,999	\$ 12,871	\$ 38,205	\$ 556	\$ 150	\$ 2,761	\$ 2,771	\$ 4,953	\$ -	\$ -

TRI-CREEK SCHOOL CORPORATION
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 For the Year Ended June 30, 2016

	Common School Fund 3192	Common School Fund 3193	Professional Development CSL Loan# A1599	STAA CSL Loan # A1777	Common School Tech Loan # 1804	High Ability 13-14	High Ability 14-15	High Ability 15-16	NESP Grant 13-14	NESP Grant 14-15
Cash and investments - beginning	\$ -	\$ -	\$ 9,777	\$ -	\$ -	\$ -	\$ 16,656	\$ -	\$ -	\$ 3,671
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	40,320	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	40,320	-	-
Disbursements:										
Instruction	327,704	63,990	-	-	-	-	17,044	26,086	-	-
Support services	-	-	-	-	-	-	-	-	-	3,885
Noninstructional services	-	-	-	-	-	-	-	-	-	86
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	327,704	63,990	-	-	-	-	17,044	26,086	-	3,971
Excess (deficiency) of receipts over disbursements	(327,704)	(63,990)	-	-	-	-	(17,044)	14,234	-	(3,971)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(327,704)	(63,990)	-	-	-	-	(17,044)	14,234	-	(3,971)
Cash and investments - ending	\$ (327,704)	\$ (63,990)	\$ 9,777	\$ -	\$ -	\$ -	\$ (388)	\$ 14,234	\$ -	\$ (300)

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, 2016

	NESP Grant 15-16	E-Rate Tech Fund	E-Rate Tech 3722	Performance Based Awards	Local Donation- Artist IN Resid	Title I 13-14	Title I 14-15	Title I 15-16	Title III - Energy Conservation	Perkins Grant FY 13-14
Cash and investments - beginning	\$ -	\$ 70,848	\$ 1,509	\$ 4,569	\$ 149	\$ -	\$ (61,275)	\$ -	\$ -	\$ 5
Receipts:										
Local sources	-	-	-	-	500	-	-	-	-	-
Intermediate sources	-	491,835	-	-	-	-	-	-	-	-
State sources	9,021	8,724	-	131,308	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	110,081	297,534	100,000	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	9,021	500,559	-	131,308	500	-	110,081	297,534	100,000	-
Disbursements:										
Instruction	-	-	-	128,212	207	-	46,843	296,955	-	-
Support services	2,168	84,889	-	-	-	-	7,082	11,509	-	-
Noninstructional services	2,806	-	-	-	-	-	-	736	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	100,000	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,974	84,889	-	128,212	207	-	53,925	309,200	100,000	-
Excess (deficiency) of receipts over disbursements	4,047	415,670	-	3,096	293	-	56,156	(11,666)	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,047	415,670	-	3,096	293	-	56,156	(11,666)	-	-
Cash and investments - ending	\$ 4,047	\$ 486,518	\$ 1,509	\$ 7,665	\$ 442	\$ -	\$ (5,119)	\$ (11,666)	\$ -	\$ 5

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, 2016

	Perkins Grant FY 14-15	Perkins Grant FY 15-16	Small Learning Fund FY 14	Title II Part A FY 12	Title II Part A FY 13	Title II Part A eLearning Conference 13/14	Title II Part A FY 14	Title II Part A eLearning Conference 14/15	Title III FY 14	Title III FY 15
Cash and investments - beginning	\$ (49,002)	\$ -	\$ -	\$ -	\$ (1,098)	\$ -	\$ -	\$ (4,398)	\$ 3,465	\$ (5,686)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	21,821	-	-	-	-	-	-	-	-
Federal sources	95,998	20,641	-	-	26,173	-	59,884	-	-	3,206
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	95,998	42,462	-	-	26,173	-	59,884	-	-	3,206
Disbursements:										
Instruction	46,996	57,212	-	-	-	-	-	-	-	-
Support services	-	-	-	-	25,075	-	54,634	3,668	(86)	1,290
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	46,996	57,212	-	-	25,075	-	54,634	3,668	(86)	1,290
Excess (deficiency) of receipts over disbursements	49,002	(14,750)	-	-	1,098	-	5,250	(3,668)	86	1,916
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	49,002	(14,750)	-	-	1,098	-	5,250	(3,668)	86	1,916
Cash and investments - ending	\$ -	\$ (14,750)	\$ -	\$ -	\$ -	\$ -	\$ 5,250	\$ (8,066)	\$ 3,551	\$ (3,770)

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, 2016

	Title III FY16	Secured Schools FY 2014	Secured Schools FY 2015	Food Service Clearing	Textbook Rental Clearing	Prepaid Lunch	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (32,363)	\$ -	\$ 61,148	\$ 154,003	\$ 23,300	\$ 178,692	\$ 12,733,588
Receipts:								
Local sources	-	-	-	-	-	-	-	24,800,072
Intermediate sources	-	-	-	-	-	-	-	689,099
State sources	-	-	-	-	-	-	-	20,470,844
Federal sources	2,315	45,246	-	-	-	-	-	1,337,051
Other receipts	-	-	-	1,028,519	71,477	732,917	10,200,582	12,235,776
Total receipts	2,315	45,246	-	1,028,519	71,477	732,917	10,200,582	59,532,842
Disbursements:								
Instruction	-	-	-	-	-	-	-	15,439,399
Support services	3,855	1,094	12,773	-	-	-	-	11,160,971
Noninstructional services	-	-	-	-	-	-	-	1,456,476
Facilities acquisition and construction	-	-	33,602	-	-	-	-	7,844,438
Debt service	-	-	-	-	-	-	-	8,715,339
Nonprogrammed charges	-	-	-	1,131,257	102,596	730,981	10,154,724	12,119,558
Total disbursements	3,855	1,094	46,375	1,131,257	102,596	730,981	10,154,724	56,736,181
Excess (deficiency) of receipts over disbursements	(1,540)	44,152	(46,375)	(102,738)	(31,119)	1,936	45,858	2,796,661
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	17,742
Total other financing sources (uses)	-	-	-	-	-	-	-	17,742
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,540)	44,152	(46,375)	(102,738)	(31,119)	1,936	45,858	2,814,403
Cash and investments - ending	\$ (1,540)	\$ 11,789	\$ (46,375)	\$ (41,590)	\$ 122,884	\$ 25,236	\$ 224,550	\$ 15,547,991

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TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

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	\$ 336,000	07/15/2007	01/15/2026
Tri-Creek High School Building Corporation	2007 Partially refinances existing debt 2003 TC 2002 HSBC and 1998 Lake Prairie Bonds	2,040,948	07/15/2007	01/15/2023
Tri-Creek High School Building Corporation	2010 Construction of a physical education addition to LHS	230,463	01/15/2011	01/15/2020
Tri-Creek High School Building Corporation	2012 Refund a portion of Series 2003 and fund improvements	172,338	01/15/2013	07/15/2022
Tri-Creek High School Building Corporation	2014 Transportation Center & Three Creeks HVAC	1,027,000	01/15/2015	01/15/2027
Tri-Creek High School Building Corporation	2015 Renovations - Administration Oak Hill Lake Prairie Three Creeks	526,500	01/15/2016	01/15/2033
Tri-Creek Middle School Building Corporation	Refund of Middle School Construction Bonds	<u>2,711,488</u>	07/15/2016	01/15/2034
Total of annual lease payments		<u>\$ 7,044,737</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2006 Pension Severance G.O. Bonds	\$ 875,000	\$ 97,436
General obligation bonds	Amended Retirement/Severance Liability Funding Bonds of 2003	297,860	120,954
Notes and loans payable	Common School Fund Loans	<u>8,011,359</u>	<u>1,431,488</u>
Totals		<u>\$ 9,184,219</u>	<u>\$ 1,649,878</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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, 2014 to June 30, 2016. 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 Child Nutrition Cluster

As described in item 2016-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management 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 Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* 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, 2014 to June 30, 2016.

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in item 2016-008 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Title I Grants to Local Educational Agencies regarding Special Tests and Provisions - Assessment System Security. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Title I Grants to Local Educational Agencies regarding Special Tests and Provisions - Assessment System Security, described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Title I Grants to Local Educational Agencies for the period of July 1, 2014 to June 30, 2016.

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, 2014 to June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-004, 2016-005, and 2016-007. Our opinion on each major federal program is not modified with respect to these 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

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


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 a 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 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, and 2016-008 to be material weaknesses.

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

December 7, 2017

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, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 14-15	\$ -	\$ 47,640	\$ -	\$ -
School Breakfast Program			FY 15-16	-	-	-	64,268
Total - School Breakfast Program				-	47,640	-	64,268
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY 14-15	-	393,255	-	-
School Lunch Program			FY 15-16	-	-	-	496,454
National School Lunch Program Commodities			FY 14-16	-	100,334	-	98,394
Total - National School Lunch Program				-	493,589	-	594,848
Total - Child Nutrition Cluster				-	541,229	-	659,116
Total - Department of Agriculture				-	541,229	-	659,116
<u>Department of Energy</u>							
State Energy Program	Indiana Office of Energy Development						
Energy Conservation Grant Fund 6100		81.041	EE0006210	-	-	-	100,000
Total - Department of Energy				-	-	-	100,000
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
IDEA FY 14			14214-047-PN01	-	172,226	-	-
IDEA FY 15			14215-047-PN01	-	418,612	-	225,263
IDEA FY 16			14216-045-PN01	-	-	-	392,223
IDEA FY 14 Federal Technical Assistance Grant			99914-047-TA01	-	6,488	-	-
Total - Special Education_Grants to States				-	597,326	-	617,486
Special Education_Preschool Grants	Indiana Department of Education	84.173					
ECD FY 2014			45714-047-PN01	-	6,021	-	-
ECD FY 15			45715-047-PN01	-	9,892	-	4,221
ECD FY 16			46716-045-PN01	-	-	-	8,714
Total - Special Education_Preschool Grants				-	15,913	-	12,935
Total - Special Education Cluster (IDEA)				-	613,239	-	630,421

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Part A - 4125			14-4645	-	142,437	-	-
Title I Part A - 4126			15-4645	-	333,051	-	110,081
Title I Part A - 4127			16-4645	-	-	-	297,534
Total - Title I Grants to Local Educational Agencies				-	475,488	-	407,615
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048					
Perkins Grant Fund 6234			FY 13-14	-	113,782	-	-
Perkins Grant Fund 6235			FY 14-15	-	20,444	-	95,989
Perkins Grant Fund 6236			FY 15-16	-	-	-	42,462
Total - Career and Technical Education - Basic Grants to States				-	134,226	-	138,451
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III- 6884			FY 14	-	8,107	-	-
Title III- 6885			FY 15	-	-	-	3,206
Title III- 6886			01116-130-PN01	-	-	-	2,315
Total - English Language Acquisition State Grants				-	8,107	-	5,521
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II Part A-6844			12-4645	-	28,125	-	-
Title II Part A- 6845			13-4645	-	30,230	-	26,171
Title II Part A- 6847 e Learning Conference			14-4645	-	8,124	-	59,884
Total - Improving Teacher Quality State Grants				-	66,479	-	86,055
Total - Department of Education				-	1,297,539	-	1,268,063
Total federal awards expended				\$ -	\$ 1,838,768	\$ -	\$ 2,027,179

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 under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

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 (IDEA) 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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	none reported

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for Special Education Cluster; Qualified for the Child Nutrition Cluster and Title I Grants to Local Educational Agencies
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:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior audit regarding the lack of segregation of duties for payroll disbursements and the monitoring of controls. The prior year finding number was 2014-001.

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

Condition

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to cash and investment balances, receipts, payroll disbursements, journal entries, and the Schedule of Expenditures of Federal Awards (SEFA).

Cash and Investment Balances - One individual performed the monthly reconciliation of the bank balance to the records balance without evidence of a proper system of oversight or review. Additionally, due to the conversion to a new accounting system, monthly variances were noted and identified during the reconciling process. The School Corporation was not able to identify the cause and correct the identified variances noted within the accounting system.

Receipts - Although one individual prepared the receipts and another reviewed, this control was not effective in instances where the issuer did not know what receipt account to use. The reviewer would advise the issuer of the receipt account to use, which resulted in the reviewer reviewing their own guidance.

Payroll Disbursements - One employee entered the wages for the salaried employees into the computerized accounting system at the beginning of the year without evidence of a proper system of oversight or review to ensure salaried employees were paid the correct amounts from the proper funds.

Journal Entries - Several employees had the ability to make journal entries into the computerized financial accounting system without evidence of a proper system of oversight or review.

SEFA - One employee prepared the SEFA without evidence of a proper system of oversight or review.

2. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would require the School Corporation to monitor and assess the quality of the system of internal control.

Context

The lack of controls were systemic issues, which occurred during the second year of the audit period, coinciding with the conversion to a new computerized accounting system and the departure of the former Deputy Treasurer.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators."

Cause

Management of the School Corporation had not established a proper system of internal controls.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation establish a system of internal controls to ensure that financial transactions are properly recorded, cash is properly reconciled, and federal expenditures are properly reported on the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Child Nutrition Cluster - Eligibility, Program Income, Reporting
National School Lunch Program - Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16, FY 14-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Program Income, Reporting, Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP)

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior audit year regarding the Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements. The prior year finding number was 2014-002.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Eligibility

The application information was entered into the food service software which automatically made the eligibility determinations dependent upon the information entered into the software. The Food Service Bookkeeper completed this step without evidence of a proper system of oversight or review. In addition, the Food Service Bookkeeper reviewed the income guidelines parameters entered into the food service software by the software vendor; however, the review process was not documented.

Program Income

The School Corporation had no evidence of controls to ensure that receipts generated from the cafeteria sales were properly recorded.

Reporting

The Annual Report was prepared and submitted electronically by the Food Service Bookkeeper without evidence of a proper system of oversight or review.

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

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

There was no documentation of an oversight or review process over the School Corporation's performance of verifications of the free and reduced price eligibility of households selected from a sample of applications that were approved for free and reduced price meals.

Context

The lack of controls was a systemic problem. There were no documented controls over the compliance requirements noted in the *Condition* throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

The School Corporation's management had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the Eligibility, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. The lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Eligibility, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-003

Subject: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16, FY 14-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat of Finding 2014-004 from the immediate prior audit year.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management compliance requirement.

The School Corporation failed to comply with the Cash Management requirement that they limit their net cash resources in the School Lunch fund to three months average expenditures of the food service program. The School Corporation maintained excessive net cash resources for the entire audit period.

Context

The lack of controls and noncompliance were systemic problems. The net cash resources in the School Lunch fund exceeded three months average expenditures throughout the audit period.

Criteria

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)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

(iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

FINDING 2016-004

Subject: Child Nutrition Cluster - 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 Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16, FY 14-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior audit year regarding the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement. The prior year finding number was 2014-005.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have policies or procedures in place to ensure that those vendors that were not contracted through a third-party purchasing service were not suspended or debarred from participation in federal award programs.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-005

Subject: National School Lunch Program - Reporting
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

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

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement.

The School Corporation prepared and submitted the School Food Authority (SFA) Verification Collection Report (report) without evidence of a proper system of oversight or review. The reports for both years had numerous errors in the "results of verification from original benefit type" section of the report, where verification results were either overstated or understated.

Context

The lack of controls and noncompliance were systemic issues as there were errors in the reports submitted for both years of the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 245.6a(h) states in part:

"By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

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

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Reporting compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-006

Subject: Title I Grants to Local Educational Agencies - Reporting,
Special Tests and Provisions - Highly Qualified Teachers
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-4645, 15-4645, 16-4645
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Reporting, Special Tests and Provisions - Highly
Qualified Teachers and Paraprofessionals
Audit Finding: Material Weakness

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting and the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirements.

Reporting

The Final Expenditure reports were prepared by the Business Manager and reviewed by the Title I Secretary; however, there was no documentation of the review.

Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals

The School Corporation had the appropriate documentation to verify that the newly-hired teachers were highly qualified; however, the control was not effective since the review of the verifications was not consistently documented.

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

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

The School Corporation's management had not developed an effective system of internal controls over the Reporting and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Reporting and Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

FINDING 2016-007

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-4645, 15-4645, 16-4645
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation failed to comply with the Annual Report Card, High School Graduation Rate requirements that for the students removed from the High School cohort graduation rate for mobility reasons there be written documentation that the student is enrolled in another school or in an educational program that culminates in the award of a high school diploma, or emigrated to another country, or is deceased.

Context

The lack of controls and noncompliance were systemic issues throughout the audit period as 33 percent of students tested were either not reported correctly or did not have the required documentation to support their removal from their cohort. Sixty students were listed on the 2015 and 2016 Graduation Cohort Status Report as mobile. Of the fifteen tested, four did not have the required supporting documentation to substantiate moving them from the cohort for mobility reasons, and one was coded incorrectly.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

34 CFR 200.19(b) states in part:

"High schools—

- (1) *Graduation rate.* Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . .

- (2) *Transitional graduation rate.*

(i) Prior to the deadline in paragraph (b)(4)(ii)(A) of this section, a State must calculate graduation rate as defined in paragraph (b)(1) of this section or use, on a transitional basis—

(A) A graduation rate that measures the percentage of students from the beginning of high school who graduate with a regular high school diploma in the standard number or years; or . . .

(ii) For a transitional graduation rate calculated under paragraph (b)(2)(i) of this section—

(A) 'Regular high school diploma' has the same meaning as in paragraph (b)(1)(iv) of this section;

(B) 'Standard number of years' means four years unless a high school begins after ninth grade, in which case the standard number of years is the number of grades in the school; and

(C) A dropout may not be counted as a transfer. . . ."

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

Cause

The School Corporation had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-008

Subject: Title I Grants to Local Educational Agencies - Special Tests
and Provisions - Assessment System Security
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-4645, 15-4645, 16-4645
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Assessment System Security
Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement. The School Corporation was required to maintain Indiana Testing Security and Integrity Agreements (Agreements) for any individual who administered, handled, or had access to secure test materials at the district or school level.

The School Corporation had the appropriate administration and building personnel certify the Agreements that documented their understanding of the School Corporation's test security measures and policies. However, not all Agreements were provided for audit.

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

Context

The lack of controls was a systemic issue as the signed Agreements for the high school, middle school, and Lake Prairie Elementary School were not provided for audit.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

The Indiana Assessment Program Manual, Chapter 10, Section 9, Part A states in part:

". . . School corporation, accredited nonpublic school, charter school, and Choice school administrators must develop, implement and assess procedures for the secure storage, administration and delivery of standardized test books back to the IDOE via the test contractor. . . ."

Tri-Creek School Corporation 2623.01 - Test Security Provisions for Statewide Assessments policy states: ". . . D. following all procedures located in the testing manuals and those outlined by the IDOE. . . ."

Indiana Assessment Program Manual, Chapter 10, Section 4, Part D states in part: ". . . Ensure all applicable school and corporation staff review and sign the Indiana Testing Security and Integrity Agreement annually by the end of September as described in the *Code of Ethical Practices and Procedures*. . . ."

Cause

The School Corporation had not developed a system of internal controls that would have ensured that the required Agreements were maintained and provided for audit to ensure compliance with the Special Tests and Provisions - Assessment System Security compliance requirement.

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

Effect

The failure to maintain and provide the required Agreements prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Assessment System Security compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that the required Agreements are maintained and provided for audit to ensure compliance with the Special Tests and Provisions - Assessment System Security compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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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 2014-002

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE- Child Nutrition

Contact Person Responsible for Corrective Action: Martha Silverthorn

Contact Phone Number: 219-750-1336

Status of Audit Finding:

Due to the delayed release of the prior audit findings the district implemented the following corrective actions at varying times as noted below. Corrective action was taken immediately following the audit release but the procedures have been further adjusted as reflected below.

Allowable Activities

Effective September 2016, the Food Service employees total their timecards at the end of each bi-weekly payroll. The Food Service Director reviews the timecard calculations and enters the information in to a payroll spreadsheet. The Assistant Food Service Director reviews the spreadsheet with the time cards and enters the information in to the financial payroll system worksheet. The worksheet is reviewed by the Financial Assistant-Payroll person prior to processing the payroll.

Eligibility- this procedure was implemented September 2016

Prior to the start of school in August, the Assistant Food Service Director and Food Service Director print off the report in Mealtime that lists the eligibility guidelines and reviews it to the state guidelines to ensure accuracy. They both sign off on the eligibility guidelines. The Assistant Food Service Director uses the Mealtime software to enter in the application information and run the eligibility determination process. The Food Service Director randomly tests applications for accuracy of processing.

Reporting

Effective May 2016, the Assistant Food Service Director prepares the monthly reimbursement and the Food Service Director verifies the information prior to the submission. Both individuals sign off on the reimbursement. They print a screen of the reimbursement submission from the Child Nutrition Program site and send it to the Financial Assistants in the Business Office. When the deposit is received, the Financial Assistant- Payroll receipts the deposit and the Financial Assistant- Accounts Payable creates a claim to the Food Service Department.

Effective September 2016, the Annual Financial Report is prepared by the Assistant Food Service Director and reviewed by the Food Service Director prior to the submission. Both individuals sign off on the report.

School Food Account

The Food Service Fund has been transferred to the financial system of the district as of July 1, 2015.



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Verification of Free and Reduced Applications- implemented September 2016

The Food Service Director uses the software to select the required minimum of 3% error prone Free and Reduced applications and prepares the verification letters to be mailed out. The Food Service Director follows up with phone calls and follow up letters to ensure they receive the verification materials. The Food Service Director reviews the verification materials and creates the state report. The Assistant Food Service Director reviews and signs the report. The Food Service Director signs the report prior to submission.

Approval of Free and Reduced Applications

The Assistant Food Service Director processes the applications through the software as well as sends out the approval/denial notifications. The Food Service Director randomly verifies the application status and approval process.



(Signature)

Director Student Nutrition

(Title)

10/6/2017

(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE- Child Nutrition

Contact Person Responsible for Corrective Action: Dana M. Bogathy

Contact Phone Number: 219-750-1282

Status of Audit Finding:

The Tri-Creek School Corporation discontinued the practice of charging an indirect cost of \$0.02 per meal served to the food service fund, effective July 2015.

Dana M. Bogathy
(Signature)

Business Manager
(Title)

10/10/17
(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE- Child Nutrition
Contact Person Responsible for Corrective Action: Dana M. Bogathy and Martha Silverthorn
Contact Phone Number: 219-750-1282

Status of Audit Finding:

Due to the delayed release of the prior audit findings the district implemented the following corrective action in August 2016.

The Food Service Director submitted an expenditure plan to the Child Nutrition Department with the 2013-2014, 2014-2015 and the 2015-2016 Annual Financial Reports that were approved. The plans included a renovation to the high school cafeteria line, equipment purchases, added staff and increases for the department. All items in the plans were approved by the Tri-Creek School Corporation Board of Trustees. The Food Service Director also reviewed and made changes to the ala carte pricing.

Dana M. Bogathy
(Signature)

Martha Silverthorn
(Signature)

Business Manager
(Title)

Nutrition Services Director
(Title)

10/10/17
(Date)

10/10/17
(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005

Fiscal year in which the finding initially occurred: 2014
 Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE- Child Nutrition
 Contact Person Responsible for Corrective Action: Dana M. Bogathy and Martha Silverthorn
 Contact Phone Number: 219-750-1282

Status of Audit Finding:

Due to the delayed release of the prior audit findings the district implemented the following corrective actions starting with the milk bid in April 2016.

The Food Service Director advertises all bids according to statute. All advertisements and awarded bids are approved by the Tri-Creek School Corporation Board of School Trustees.

Effective October 2016, the Food Service Department requires the vendor to certify their compliance with suspension and debarment as part of their qualifications to bid. Effective November 2017 the Food Service Director uses SAMs to verify any other vendors who would provide the district with \$25,000 or more in service. The Food Service Director maintains a file of the SAMs searches.

Dana M. Bogathy

 (Signature)

Business Manager

 (Title)

11/6/17

 (Date)

Martha Silverthorn

 (Signature)

Student Nutrition Services

 (Title)

11/6/17

 (Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-006

Fiscal year in which the finding initially occurred: 2014
 Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE- Child Nutrition
 Contact Person Responsible for Corrective Action: Dana M. Bogathy and Martha Silverthorn
 Contact Phone Number: 219-750-1282

Status of Audit Finding:

The food service fund is set up in our district financial software using Fund 0800 for their cash fund, Fund 0810 for their payroll and Fund 8410 for the prepaid food service funds, effective July 2015.

The food service department established the following controls over receipts effective September 2016. The Assistant Food Service Director enters the receipt in the system and prints off a report showing the receipts and gives it to the Food Service Director to review and approve by signature.

Dana M. Bogathy
(Signature)

Martha Silverthorn
(Signature)

Business Manager
(Title)

Director Student Nutrition
(Title)

11/16/17
(Date)

11/16/17
(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-007

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE- Title I
Contact Person Responsible for Corrective Action: Dana M. Bogathy and Kevin Deal
Contact Phone Number: 219-750-1282

Status of Audit Finding:

Due to the delayed release of the prior audit findings the district implemented the following corrective actions at varying times as noted below.

Payroll

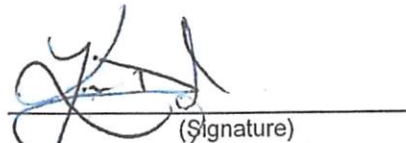
Beginning with payrolls from July 2015 forward, the principals of Title I buildings review the fund numbers on their Standard Worksheet Report and approve by signature prior to the payroll being submitted. The Business Manager reviews the district Standard Worksheet Report and approves by signature prior to the payroll being submitted.

The Financial Assistant- Accounts Payable prepares the monthly Title I reimbursement claims and the Business Manager approves the claims by signature prior to submission for reimbursement. The Director of Curriculum and Instruction reviews the reimbursements and expenditures in the Title I fund monthly.


(Signature)

Business Manager
(Title)

10/10/17
(Date)


(Signature)

Director of Curriculum
(Title)

10/16/17
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer
Contact Phone Number: 219-750-1282

Views of the Responsible Official:
The school district concurs with the finding.

Description of Corrective Action Plan:

The school district will require review and dual controls on bank reconciliations, receipting, payroll contract entries/revisions, journal entries and the SEFA. The school district will establish a committee to review and communicate internal control procedures.

Anticipated Completion Date: June 2018

FINDING 2016-002

Contact Person Responsible for Corrective Action: Martha Silverthorn, Director of Student Nutrition Services
Contact Phone Number: 219-750-1336

Views of the Responsible Official:
The school district concurs with the finding.

Description of Corrective Action Plan:

Eligibility

Ten percent of the applications entered into the POS application program on a yearly basis will be reviewed by the Food Service Director. The Food Service Director will review these applications by checking the accuracy of the information entered into the POS application software and initialing the application for compliance.

Program Income and Reporting

The school district will implement a dual control system of review for receipts and for the completion of the annual report as indicated by signature of those individuals.

Special Tests and Provisions – Verification of Free and Reduced Price Applications

The school district will document our oversight process for the Verification process by indication of signature. The oversight process will include a dual control between the person who enters the info and the person who verifies the info. The documents involved in the oversight process will be kept with all verification material to ensure accuracy of the Annual Verification report.

Anticipated Completion Date:
Corrective Action will be taken immediately following the audit release.



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FINDING 2016-003

Contact Person Responsible for Corrective Action: Martha Silverthorn, Director of Student Nutrition Services

Contact Phone Number: 219-750-1336

Views of the Responsible Official:

The school district concurs with the finding.

Description of Corrective Action Plan:

Cash Management

The Food Service Director will annually submit an expenditure plan for approval to the Indiana Department of Education Nutrition Department if the department has a cash balance of more than three months.

Anticipated Completion Date:

Corrective Action will be taken immediately following the audit release.

FINDING 2016-004

Contact Person Responsible for Corrective Action: Martha Silverthorn, Director of Student Nutrition Services

Contact Phone Number: 219-750-1336

Views of the Responsible Official:

The school district concurs with the finding.

Description of Corrective Action Plan:

Procurement and Suspension and Debarment

The Food Service Department will require a SBOA suspension and debarment form for bidders of formal bids or RFP's unless contracted through a third party purchasing service. Vendors that are not contracted through a formal process will be verified through SAMs by the Food Service Director and will maintain those results on file in the Food Service Offices.

Anticipated Completion Date:

Corrective Action will be taken immediately following the audit release.

FINDING 2016-005

Contact Person Responsible for Corrective Action: Martha Silverthorn, Director of Nutrition Services

Contact Phone Number: 219-750-1336

Views of the Responsible Official:

The school district concurs with the finding.

Description of Corrective Action Plan:

Reporting



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The verification collection report will be supported with reports from the POS system to verify the accuracy of the final collection report submission. The Food Service Director reviews the verification information submitted and creates the state report. The Assistant Food Service Director reviews and signs the verification information and report. The Assistant Food Service Director and the Food Service Director sign the verification worksheet before submission of the final report. The Assistant Food Service Director will review the accuracy of the submitted report and initial the report for verification. Supporting documents will be kept with all verification material to ensure accuracy of the Annual Verification report.

Anticipated Completion Date:

Corrective Action will be taken immediately following the audit release.

FINDING 2016-006

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

Views of the Responsible Official:

The school district concurs that proper documentation of dual control approval was not evident on the Final Expenditure report and Highly Qualified forms.

Description of Corrective Action Plan:

Reporting

The Title I Final Expenditure report will be prepared by a member of the business office and will reviewed by the Business Manager as noted by signatures from both parties starting with the 2017-18 report.

Highly Qualified Teachers and Paraprofessional

The school district will require a review of the highly qualified forms and coding by a member of the business office as indicated by signature.

Anticipated Completion Date:

Corrective Action will be taken immediately following the audit release.

FINDING 2016-007

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer

Contact Phone Number: 219-750-1282

Views of the Responsible Official:

The school district concurs with the finding.

Description of Corrective Action Plan:

The school district will comply with providing proper documentation for student mobility from their cohort group in high school beginning January 1, 2018.



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FINDING 2016-008

Contact Person Responsible for Corrective Action: Dana Bogathy, Treasurer
Contact Phone Number: 219-750-1282

Views of the Responsible Official:
The school district concurs with the finding.

Description of Corrective Action Plan:

The school district will require a second member of the administrative team to review the retention and destruction of testing materials beginning January 1, 2018.


(Signature)

TREASURER

(Title)

12/16/17

(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/>.