

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
LAPORTE COUNTY BOARD OF EDUCATION  
LAPORTE COUNTY, INDIANA  
July 1, 2003 to June 30, 2006



**FILED**  
08/30/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Norman L. Kleist	07-01-03 to 06-30-07
Superintendent of Schools	Norman L. Kleist	07-01-03 to 06-30-07
President of the School Board	Tim Guse	01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAPORTE COUNTY BOARD  
OF EDUCATION, LAPORTE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the LaPorte County Board of Education (Board), for the period of July 1, 2003 to June 30, 2006. The Board of Education's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Board of Education for the years ended June 30, 2004, 2005, and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 9, 2006

LAPORTE COUNTY BOARD OF EDUCATION  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended June 30, 2004, 2005, And 2006

	Cash and Investments 07-01-03	Receipts	Disbursements	Cash and Investments 06-30-04
Governmental Funds:				
General	\$ 704	\$ 12,846	\$ 10,349	\$ 3,201
Title I	30,809	42,783	57,408	16,184
Safe Schools	11,500	-	-	11,500
Perkins Grant	6,000	6,000	7,000	5,000
Interest	1,740	722	1,137	1,325
Totals	<u>\$ 50,753</u>	<u>\$ 62,351</u>	<u>\$ 75,894</u>	<u>\$ 37,210</u>

	Cash and Investments 07-01-04	Receipts	Disbursements	Cash and Investments 06-30-05
Governmental Funds:				
General	\$ 3,201	\$ 5,125	\$ 5,239	\$ 3,087
Title I	16,184	-	16,184	-
Safe Schools	11,500	-	-	11,500
Perkins Grant	5,000	6,000	10,971	29
Interest	1,325	19	-	1,344
Totals	<u>\$ 37,210</u>	<u>\$ 11,144</u>	<u>\$ 32,394</u>	<u>\$ 15,960</u>

	Cash and Investments 07-01-05	Receipts	Disbursements	Cash and Investments 06-30-06
Governmental Funds:				
General	\$ 3,087	\$ 1,710	\$ 2,845	\$ 1,952
Safe Schools	11,500	-	-	11,500
Perkins Grant	29	6,000	6,029	-
Interest	1,344	25	-	1,369
Totals	<u>\$ 15,960</u>	<u>\$ 7,735</u>	<u>\$ 8,874</u>	<u>\$ 14,821</u>

The accompanying notes are an integral part of the schedules.

LAPORTE COUNTY BOARD OF EDUCATION  
NOTES TO SCHEDULES

Note 1. Introduction

The LaPorte County Board of Education was established pursuant to the provisions of Indiana Code 20-2, and consists of 3 township schools (Cass Township, Dewey Township, and Prairie Township). The chief administrator of the Board is the LaPorte County Superintendent of Schools. The governing board is the LaPorte County Board of Education. The LaPorte County Board of Education consists of the 21 Township Trustees in LaPorte County.

The LaPorte County Joint Service and Supply Fund (General Fund) was established pursuant to the provisions of Indiana Code 20-5-9-2. The Joint Service and Supply agreement provides for the 3 township schools to share in some common costs such as legal services, library materials, nurses, supplies and administrative costs. The various townships in LaPorte County may participate and pay their proportionate share for Joint Services and Supplies, subject to agreements into which they may enter. Project accounts have been established, within the LaPorte County Joint Service and Supply Fund to handle transactions for these individual townships and various special programs.

Note 2. Fund Accounting

The Board uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Board has the following fund types:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is the School Corporation's primary operating fund and accounts for all financial resources of the School Corporation, except those required to be accounted for in another fund.

Note 3. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the Board to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Pension Plans

A. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Employees employed by the LaPorte County Board of Education are employees of LaPorte County and participate in the Public Employees' Retirement Fund of the State of Indiana under LaPorte County's retirement plan. Information regarding the plan can be obtained from the Annual Financial Reports of LaPorte County for the year 2005.

LAPORTE COUNTY BOARD OF EDUCATION  
NOTES TO SCHEDULES  
(Continued)

B. Cost-Sharing Multiple Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The Board contributes to the Indiana Teachers' Retirement Fund (TERF), as a defined benefit pension plan. TERF 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 TERF. State statute (IC 5-10.2) governs, through the TERF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The Board may elect to make the contributions on behalf of the member.

TERF 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:

Teacher's Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

The Board contributes the employer's share to TERF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The Board currently receives partial funding 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.

Plan members are required to contribute 3% of their salary and the Board of Education is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 9% of covered wages. The Board's required contribution to the plan for the fiscal years ended June 30, 2004, 2005, and 2006, were \$1,759, \$0, and \$0, respectively. The Board actually contributed 100% of the required contributions for fiscal year 2004. For the fiscal years ending 2005 and 2006, the Board no longer disburses payroll for the only employee that was in the TERF plan.

LAPORTE COUNTY BOARD OF EDUCATION  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2006, with Norman L. Kleist, Superintendent of Schools. Our examination disclosed no material items that warrant comment at this time.