

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

EXAMINATION REPORT
OF

WEST LAFAYETTE COMMUNITY
SCHOOL CORPORATION
TIPPECANOE COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

05/02/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kenneth L. Barnes Dawn E. Williams Konstance L. Laws	07-01-03 to 06-30-07 07-01-07 to 01-31-08 02-01-08 to 12-31-08
Superintendent of Schools	Iran Floyd Dr. Rocky D. Killion	07-01-04 to 06-30-07 07-01-07 to 06-30-10
President of the School Board	Dianne B. Sautter	07-01-05 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of West Lafayette Community School Corporation (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial schedules but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 31, 2008

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,620,692	\$ -	\$ 122,248	\$ (7,498,444)
Support services	11,531,411	538,120	77,778	(10,915,513)
Community services	275,171	-	-	(275,171)
Nonprogrammed charges	428,564	-	-	(428,564)
Debt service	<u>6,306,385</u>	<u>-</u>	<u>-</u>	<u>(6,306,385)</u>
Total governmental activities	<u>\$ 26,162,223</u>	<u>\$ 538,120</u>	<u>\$ 200,026</u>	<u>(25,424,077)</u>
General receipts:				
Property taxes				14,252,316
Other local sources				2,514,080
State aid				3,552,026
Bonds and loans				3,511,072
Grants and contributions not restricted to specific programs				526,328
Sale of property, adjustments, and refunds				200,823
Investment earnings				201,300
Transfers				<u>(473,590)</u>
Total general receipts and transfers				<u>24,284,355</u>
Change in net assets				(1,139,722)
Net assets - beginning				<u>7,276,547</u>
Net assets - ending				<u>\$ 6,136,825</u>
<u>Assets</u>				
Cash and investments				\$ 6,154,370
Restricted assets:				
Cash and investments				<u>(17,545)</u>
Total assets				<u>\$ 6,136,825</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (17,545)
Unrestricted				<u>6,154,370</u>
Total net assets				<u>\$ 6,136,825</u>

The accompanying notes are an integral part of the financial information.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,422,532	\$ -	\$ 53,036	\$ (7,369,496)
Support services	11,256,419	589,175	97,217	(10,570,027)
Community services	254,380	-	-	(254,380)
Nonprogrammed charges	677,790	-	-	(677,790)
Debt service	6,598,560	-	-	(6,598,560)
Total governmental activities	<u>\$ 26,209,681</u>	<u>\$ 589,175</u>	<u>\$ 150,253</u>	<u>(25,470,253)</u>
General receipts:				
Property taxes				14,361,864
Other local sources				2,815,575
State aid				3,043,572
Bonds and loans				3,353,723
Grants and contributions not restricted to specific programs				544,098
Sale of property, adjustments, and refunds				110,526
Investment earnings				<u>224,973</u>
Total general receipts				<u>24,454,331</u>
Change in net assets				(1,015,922)
Net assets - beginning				<u>6,136,825</u>
Net assets - ending				<u>\$ 5,120,903</u>
<u>Assets</u>				
Cash and investments				\$ 5,152,697
Restricted assets:				
Cash and investments				<u>(31,794)</u>
Total assets				<u>\$ 5,120,903</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (31,794)
Unrestricted				<u>5,152,697</u>
Total net assets				<u>\$ 5,120,903</u>

The accompanying notes are an integral part of the financial information.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 10,360,662	\$ 521,547	\$ 2,979,133	\$ 2,318,306	\$ 49,840	\$ 1,268,348	\$ 17,497,836
Intermediate sources	-	-	-	-	-	5,863	5,863
State sources	3,583,912	-	-	-	-	448,089	4,032,001
Federal sources	-	-	-	-	-	248,496	248,496
Bonds and loans	3,411,072	100,000	-	-	-	-	3,511,072
Sale of property, adjustments and refunds	19,939	-	-	75,607	-	105,277	200,823
Total receipts	<u>17,375,585</u>	<u>621,547</u>	<u>2,979,133</u>	<u>2,393,913</u>	<u>49,840</u>	<u>2,076,073</u>	<u>25,496,091</u>
Disbursements:							
Current:							
Instruction	7,429,486	-	-	-	-	191,206	7,620,692
Support services	5,468,480	494,606	152	3,825,989	118,100	1,624,084	11,531,411
Community services	271,867	-	-	-	-	3,304	275,171
Nonprogrammed charges	376,021	-	-	-	-	52,543	428,564
Debt services	3,252,177	-	2,965,808	-	-	88,400	6,306,385
Total disbursements	<u>16,798,031</u>	<u>494,606</u>	<u>2,965,960</u>	<u>3,825,989</u>	<u>118,100</u>	<u>1,959,537</u>	<u>26,162,223</u>
Excess (deficiency) of receipts over disbursements	<u>577,554</u>	<u>126,941</u>	<u>13,173</u>	<u>(1,432,076)</u>	<u>(68,260)</u>	<u>116,536</u>	<u>(666,132)</u>
Other financing sources (uses):							
Transfers in	2,117	-	-	-	-	119,071	121,188
Transfers out	(14,303)	(2,492)	(14,558)	(60,625)	(166)	(502,634)	(594,778)
Total other financing sources (uses)	<u>(12,186)</u>	<u>(2,492)</u>	<u>(14,558)</u>	<u>(60,625)</u>	<u>(166)</u>	<u>(383,563)</u>	<u>(473,590)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>565,368</u>	<u>124,449</u>	<u>(1,385)</u>	<u>(1,492,701)</u>	<u>(68,426)</u>	<u>(267,027)</u>	<u>(1,139,722)</u>
Cash and investments - beginning	<u>2,217,184</u>	<u>(41,514)</u>	<u>(22,691)</u>	<u>3,375,330</u>	<u>83,800</u>	<u>1,664,438</u>	<u>7,276,547</u>
Cash and investments - ending	<u>\$ 2,782,552</u>	<u>\$ 82,935</u>	<u>\$ (24,076)</u>	<u>\$ 1,882,629</u>	<u>\$ 15,374</u>	<u>\$ 1,397,411</u>	<u>\$ 6,136,825</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,782,552	\$ 82,935	\$ -	\$ 1,882,629	\$ 15,374	\$ 1,390,880	\$ 6,154,370
Restricted assets:							
Cash and investments	-	-	(24,076)	-	-	6,531	(17,545)
Total cash and investment assets - ending	<u>\$ 2,782,552</u>	<u>\$ 82,935</u>	<u>\$ (24,076)</u>	<u>\$ 1,882,629</u>	<u>\$ 15,374</u>	<u>\$ 1,397,411</u>	<u>\$ 6,136,825</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ (24,076)	\$ -	\$ -	\$ 6,531	\$ (17,545)
Unrestricted	<u>2,782,552</u>	<u>82,935</u>	<u>-</u>	<u>1,882,629</u>	<u>15,374</u>	<u>1,390,880</u>	<u>6,154,370</u>
Total cash and investment fund balance - ending	<u>\$ 2,782,552</u>	<u>\$ 82,935</u>	<u>\$ (24,076)</u>	<u>\$ 1,882,629</u>	<u>\$ 15,374</u>	<u>\$ 1,397,411</u>	<u>\$ 6,136,825</u>

The accompanying notes are an integral part of the financial information.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 10,530,628	\$ 534,502	\$ 2,926,853	\$ 2,437,254	\$ 88,032	\$ 1,467,548	\$ 17,984,817
Intermediate sources	451	-	-	-	-	6,315	6,766
State sources	3,071,112	-	-	-	-	404,849	3,475,961
Federal sources	-	-	-	-	-	261,962	261,962
Bonds and loans	3,353,723	-	-	-	-	-	3,353,723
Sale of property, adjustments and refunds	25,039	-	-	67,747	-	17,744	110,530
Total receipts	16,980,953	534,502	2,926,853	2,505,001	88,032	2,158,418	25,193,759
Disbursements:							
Current:							
Instruction	7,187,899	-	-	-	-	234,633	7,422,532
Support services	5,609,575	577,546	(152)	3,397,560	27,600	1,644,290	11,256,419
Community services	250,758	-	-	-	-	3,622	254,380
Nonprogrammed charges	612,335	-	-	-	-	65,455	677,790
Debt services	3,465,347	100,000	2,944,935	-	-	88,278	6,598,560
Total disbursements	17,125,914	677,546	2,944,783	3,397,560	27,600	2,036,278	26,209,681
Excess (deficiency) of receipts over disbursements	(144,961)	(143,044)	(17,930)	(892,559)	60,432	122,140	(1,015,922)
Other financing sources (uses):							
Transfers in	47,928	2,492	14,558	10,625	166	73,139	148,908
Transfers out	-	-	(5,836)	-	-	(143,072)	(148,908)
Total other financing sources (uses)	47,928	2,492	8,722	10,625	166	(69,933)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(97,033)	(140,552)	(9,208)	(881,934)	60,598	52,207	(1,015,922)
Cash and investments - beginning	2,782,552	82,935	(24,076)	1,882,629	15,374	1,397,411	6,136,825
Cash and investments - ending	\$ 2,685,519	\$ (57,617)	\$ (33,284)	\$ 1,000,695	\$ 75,972	\$ 1,449,618	\$ 5,120,903
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,685,519	\$ (57,617)	\$ -	\$ 1,000,695	\$ 75,972	\$ 1,448,128	\$ 5,152,697
Restricted assets:							
Cash and investments	-	-	(33,284)	-	-	1,490	(31,794)
Total cash and investment assets - ending	\$ 2,685,519	\$ (57,617)	\$ (33,284)	\$ 1,000,695	\$ 75,972	\$ 1,449,618	\$ 5,120,903
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ (33,284)	\$ -	\$ -	\$ 1,490	\$ (31,794)
Unrestricted	2,685,519	(57,617)	-	1,000,695	75,972	1,448,128	5,152,697
Total cash and investment fund balance - ending	\$ 2,685,519	\$ (57,617)	\$ (33,284)	\$ 1,000,695	\$ 75,972	\$ 1,449,618	\$ 5,120,903

The accompanying notes are an integral part of the financial information.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Retirement/ Severance Fund	Agency Funds
Additions:		
Contributions:		
Other	\$ 473,590	
Investment earnings:		
Interest	<u>11,816</u>	
Total additions	<u>485,406</u>	
Deductions:		
Benefits	<u>201,216</u>	
Excess of total additions over total deductions	284,190	
Cash and investment fund balance - beginning	<u>671,858</u>	
Cash and investment fund balance - ending	<u><u>\$ 956,048</u></u>	
Net assets:		
Cash and investments	<u>\$ 956,048</u>	<u>\$ 3,262</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 956,048</u></u>	<u><u>\$ 3,262</u></u>

The accompanying notes are an integral part of the financial information.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Retirement/ Severance Fund</u>	<u>Agency Funds</u>
Deductions:		
Benefits	<u>\$ 317,963</u>	
Deficiency of total additions over total deductions	<u>(317,963)</u>	
Cash and investment fund balance - beginning	<u>956,048</u>	
Cash and investment fund balance - ending	<u>\$ 638,085</u>	
Net assets:		
Cash and investments	<u>\$ 638,085</u>	<u>\$ 3,169</u>
Total net assets - cash and investment basis held in trust	<u>\$ 638,085</u>	<u>\$ 3,169</u>

The accompanying notes are an integral part of the financial information.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

The Schedules of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Schedules

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds are reported as separate columns in the fund financial schedules.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

Agency funds account for assets held by the School Corporation as an agent for individuals and other governmental agencies and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial schedules are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial schedules.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial schedules for governmental funds would use the modified accrual basis of accounting, while the fund financial schedules for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial schedules.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may normally be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. That was the case for the calendar year of 2005 but for 2006 the two installments were due May 31 and November 13 and for 2007 they were due June 15 and November 13. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

Note 5. 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 School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2006	2007
General Fund	Other governmental funds	\$ 14,303	\$ -
Transportation Operating Fund	Other governmental funds	2,492	-
Debt Service Fund	Other governmental funds	14,558	5,836
Capital Project Fund	Other governmental funds	60,625	-
School Bus Replacement Fund	Other governmental funds	166	-
Other governmental funds	General Fund	2,117	47,928
	Transportation Operating Fund	-	2,492
	Debt Service Fund	-	14,558
	Capital Project Fund	-	10,625
	School Bus Replacement Fund	-	166
	Other governmental funds	26,927	67,303
	Pension Trust Fund	473,590	-
Totals		<u>\$ 594,778</u>	<u>\$ 148,908</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 7. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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% 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.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

TRF 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:

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

Funding Policy and Annual Pension Cost

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

Note 8. Subsequent Event

Hoosier Equipment Leasing Program

The School Corporation on January 14, 2008, applied for \$200,000 from the Hoosier Equipment Leasing Program to purchase fiber optics, hardware, and software for a new business accounting system and is currently in the approval process.

General Obligation Bond

On January 9, 2008, the School Corporation applied for \$1,700,000 to add four classrooms to Cumberland Elementary and to demolish Burtfield Elementary and is currently in the approval process.

Tax Anticipation Warrants

The School Corporation on December 31, 2007, paid the \$3,353,723 in tax anticipation warrants that were outstanding as of June 30, 2007. Subsequently, \$8,245,000 in tax anticipation warrants were borrowed with a due date of December 31, 2008.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,074,279	\$ 2,167,964	\$ (93,685)	96%	\$ 1,809,405	(5%)
07-01-05	2,167,947	2,301,025	(133,078)	94%	1,775,142	(7%)
07-01-06	2,094,792	2,021,622	73,170	104%	1,087,073	7%

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Preschool Special Education	Rainy Day Fund	School Lunch	Book Rental	Levy Excess Fund	WVEC Contingency Fund	Wabash Valley Control
Receipts:							
Local sources	\$ 20,324	\$ -	\$ 314,633	\$ 229,452	\$ 30,240	\$ 27,077	\$ 321,472
Intermediate sources	-	-	1,014	-	-	-	-
State sources	49,947	-	65,086	12,692	-	-	210,974
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	(6)	-	-	20,127
Total receipts	70,271	-	380,733	242,138	30,240	27,077	552,573
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	354,785	242,177	-	7,406	609,603
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	52,543	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	52,543	-	354,785	242,177	-	7,406	609,603
Excess (deficiency) of receipts over disbursements	17,728	-	25,948	(39)	30,240	19,671	(57,030)
Other financing sources (uses):							
Transfers in	-	-	-	-	43,800	-	25,000
Transfers out	(99)	(473,590)	-	-	-	-	-
Total other financing sources (uses)	(99)	(473,590)	-	-	43,800	-	25,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,629	(473,590)	25,948	(39)	74,040	19,671	(32,030)
Cash and investments - beginning	25,036	612,761	(36,237)	106,442	-	14,050	508,729
Cash and investments - ending	<u>\$ 42,665</u>	<u>\$ 139,171</u>	<u>\$ (10,289)</u>	<u>\$ 106,403</u>	<u>\$ 74,040</u>	<u>\$ 33,721</u>	<u>\$ 476,699</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 42,665	\$ 139,171	\$ (10,289)	\$ 106,403	\$ 74,040	\$ 33,721	\$ 476,699
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 42,665	\$ 139,171	\$ (10,289)	\$ 106,403	\$ 74,040	\$ 33,721	\$ 476,699
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	42,665	139,171	(10,289)	106,403	74,040	33,721	476,699
Total cash and investment fund balance - ending	\$ 42,665	\$ 139,171	\$ (10,289)	\$ 106,403	\$ 74,040	\$ 33,721	\$ 476,699

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Indiana Network for Assess	WVEC Workshops	Access Indiana Project	Playground Fund	Education License Plates	AON Settlement Fund	Staff Recognition
Receipts:							
Local sources	\$ -	\$ 127,284	\$ 57,384	\$ 25,143	\$ -	\$ 152	\$ 260
Intermediate sources	-	-	3,236	-	1,613	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	6,271	78	50	-	-	-	-
Total receipts	6,271	127,362	60,670	25,143	1,613	152	260
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	72	94,487	69,481	2,678	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	72	94,487	69,481	2,678	-	-	-
Excess (deficiency) of receipts over disbursements	6,199	32,875	(8,811)	22,465	1,613	152	260
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(25,000)	-	-	-	-	-
Total other financing sources (uses)	-	(25,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,199	7,875	(8,811)	22,465	1,613	152	260
Cash and investments - beginning	-	84,539	49,537	-	3,920	-	1,365
Cash and investments - ending	<u>\$ 6,199</u>	<u>\$ 92,414</u>	<u>\$ 40,726</u>	<u>\$ 22,465</u>	<u>\$ 5,533</u>	<u>\$ 152</u>	<u>\$ 1,625</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 6,199	\$ 92,414	\$ 40,726	\$ 22,465	\$ 5,533	\$ 152	\$ 1,625
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,199</u>	<u>\$ 92,414</u>	<u>\$ 40,726</u>	<u>\$ 22,465</u>	<u>\$ 5,533</u>	<u>\$ 152</u>	<u>\$ 1,625</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,199	92,414	40,726	22,465	5,533	152	1,625
Total cash and investment fund balance - ending	<u>\$ 6,199</u>	<u>\$ 92,414</u>	<u>\$ 40,726</u>	<u>\$ 22,465</u>	<u>\$ 5,533</u>	<u>\$ 152</u>	<u>\$ 1,625</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	General Donation Fund	Arts Donation Fund	Gifted and Talented 2004-2005	Gifted and Talented 2005-2006	WVEC G/T #1 2005-2006	WVEC G/T #2 2005-2006
Receipts:						
Local sources	\$ 227	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,450
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	13,819	-	13,899
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	227	1,500	-	13,819	-	15,349
Disbursements:						
Current:						
Instruction	-	1,573	-	-	-	-
Support services	106	-	13,312	-	36,497	10,921
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	106	1,573	13,312	-	36,497	10,921
Excess (deficiency) of receipts over disbursements	121	(73)	(13,312)	13,819	(36,497)	4,428
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	121	(73)	(13,312)	13,819	(36,497)	4,428
Cash and investments - beginning	4,876	74	13,319	-	37,572	-
Cash and investments - ending	\$ 4,997	\$ 1	\$ 7	\$ 13,819	\$ 1,075	\$ 4,428
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 4,997	\$ 1	\$ 7	\$ 13,819	\$ 1,075	\$ 4,428
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,997	\$ 1	\$ 7	\$ 13,819	\$ 1,075	\$ 4,428
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,997	1	7	13,819	1,075	4,428
Total cash and investment fund balance - ending	\$ 4,997	\$ 1	\$ 7	\$ 13,819	\$ 1,075	\$ 4,428

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	WVEC Regional G/T Grant	WVEC Gifted and Talented	Perkins Grant	Non-English Speaking	School Technology Fund	Technology Plan Grant Round 5
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 21,094	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	57,614	15,874	2,147	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	289
Total receipts	-	57,614	15,874	2,147	21,094	289
Disbursements:						
Current:						
Instruction	-	-	-	2,147	-	-
Support services	11,301	-	12,925	-	4,000	4,784
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	11,301	-	12,925	2,147	4,000	4,784
Excess (deficiency) of receipts over disbursements	(11,301)	57,614	2,949	-	17,094	(4,495)
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	(11,301)	57,614	2,949	-	17,094	(4,495)
Cash and investments - beginning	11,301	-	-	-	3,576	18,297
Cash and investments - ending	\$ -	\$ 57,614	\$ 2,949	\$ -	\$ 20,670	\$ 13,802
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 57,614	\$ 2,949	\$ -	\$ 20,670	\$ 13,802
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 57,614	\$ 2,949	\$ -	\$ 20,670	\$ 13,802
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	57,614	2,949	-	20,670	13,802
Total cash and investment fund balance - ending	\$ -	\$ 57,614	\$ 2,949	\$ -	\$ 20,670	\$ 13,802

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Expanding World Language	WVEC Open Source Grant	Title I 2004-2005	Title I 2005-2006	Title V Part A 2006-2007	Drug Free Schools 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	6,037	-	-	-	-
Federal sources	-	-	-	126,435	-	5,873
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	6,037	-	126,435	-	5,873
Disbursements:						
Current:						
Instruction	3,923	6,037	11,639	79,123	198	-
Support services	-	-	5,442	27,117	1,852	-
Community services	-	-	-	54	-	2,375
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	3,923	6,037	17,081	106,294	2,050	2,375
Excess (deficiency) of receipts over disbursements	(3,923)	-	(17,081)	20,141	(2,050)	3,498
Other financing sources (uses):						
Transfers in	-	-	-	271	-	-
Transfers out	-	-	(2,338)	-	(50)	-
Total other financing sources (uses)	-	-	(2,338)	271	(50)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,923)	-	(19,419)	20,412	(2,100)	3,498
Cash and investments - beginning	3,923	-	19,419	-	2,100	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 20,412	\$ -	\$ 3,498
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ 20,412	\$ -	\$ 3,498
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 20,412	\$ -	\$ 3,498
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	20,412	-	3,498
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 20,412	\$ -	\$ 3,498

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	WVEC Drug Free School	Drug Free Schools 2004-2005	Toyota Tapestry Grant	Title II Part A Teacher Improvement	Title II Part A Teacher Improvement	Title II Enhancing Education
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	400	-	-	27,410	27,410	3,825
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	400	-	-	27,410	27,410	3,825
Disbursements:						
Current:						
Instruction	-	-	855	-	63,564	54
Support services	12,100	1,048	-	-	-	1,303
Community services	-	875	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	12,100	1,923	855	-	63,564	1,357
Excess (deficiency) of receipts over disbursements	(11,700)	(1,923)	(855)	27,410	(36,154)	2,468
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,115)
Total other financing sources (uses)	-	-	-	-	-	(1,115)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,700)	(1,923)	(855)	27,410	(36,154)	1,353
Cash and investments - beginning	11,700	6,575	5,947	-	119,817	-
Cash and investments - ending	\$ -	\$ 4,652	\$ 5,092	\$ 27,410	\$ 83,663	\$ 1,353
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 4,652	\$ 5,092	\$ 27,410	\$ 83,663	\$ 1,353
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,652	\$ 5,092	\$ 27,410	\$ 83,663	\$ 1,353
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,652	5,092	27,410	83,663	1,353
Total cash and investment fund balance - ending	\$ -	\$ 4,652	\$ 5,092	\$ 27,410	\$ 83,663	\$ 1,353

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	WVEC Title III English Language	WVEC IN Reading First Dibels Grant	School Pension Debt Service	Salisbury Construction Fund	Repair and Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 89,972	\$ 684	\$ -	\$ 1,268,348
Intermediate sources	-	-	-	-	-	5,863
State sources	-	-	-	-	-	448,089
Federal sources	52,143	5,000	-	-	-	248,496
Sale of property, adjustments and refunds	-	-	-	78,468	-	105,277
Total receipts	52,143	5,000	89,972	79,152	-	2,076,073
Disbursements:						
Current:						
Instruction	22,093	-	-	-	-	191,206
Support services	31,500	5,000	-	63,586	601	1,624,084
Community services	-	-	-	-	-	3,304
Nonprogrammed charges	-	-	-	-	-	52,543
Debt services	-	-	88,400	-	-	88,400
Total disbursements	53,593	5,000	88,400	63,586	601	1,959,537
Excess (deficiency) of receipts over disbursements	(1,450)	-	1,572	15,566	(601)	116,536
Other financing sources (uses):						
Transfers in	-	-	-	-	50,000	119,071
Transfers out	-	-	(442)	-	-	(502,634)
Total other financing sources (uses)	-	-	(442)	-	50,000	(383,563)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,450)	-	1,130	15,566	49,399	(267,027)
Cash and investments - beginning	4,177	-	5,401	26,222	-	1,664,438
Cash and investments - ending	<u>\$ 2,727</u>	<u>\$ -</u>	<u>\$ 6,531</u>	<u>\$ 41,788</u>	<u>\$ 49,399</u>	<u>\$ 1,397,411</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,727	\$ -	\$ -	\$ 41,788	\$ 49,399	\$ 1,390,880
Restricted assets:						
Cash and investments	-	-	6,531	-	-	6,531
Total cash and investment assets - ending	<u>\$ 2,727</u>	<u>\$ -</u>	<u>\$ 6,531</u>	<u>\$ 41,788</u>	<u>\$ 49,399</u>	<u>\$ 1,397,411</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 6,531	\$ -	\$ -	\$ 6,531
Unrestricted	2,727	-	-	41,788	49,399	1,390,880
Total cash and investment fund balance - ending	<u>\$ 2,727</u>	<u>\$ -</u>	<u>\$ 6,531</u>	<u>\$ 41,788</u>	<u>\$ 49,399</u>	<u>\$ 1,397,411</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Preschool Special Education	Rainy Day Fund	School Lunch	Book Rental	Levy Excess Fund	WVEC Contingency Fund	Wabash Valley Control
Receipts:							
Local sources	\$ 19,595	\$ -	\$ 366,583	\$ 228,164	\$ -	\$ 45,083	\$ 324,645
Intermediate sources	-	-	1,044	-	-	-	-
State sources	41,919	-	84,314	12,903	-	-	212,911
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	120	-	175	17,423
Total receipts	61,514	-	451,941	241,187	-	45,258	554,979
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	424,691	134,723	-	20,423	643,762
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	65,455	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	65,455	-	424,691	134,723	-	20,423	643,762
Excess (deficiency) of receipts over disbursements	(3,941)	-	27,250	106,464	-	24,835	(88,783)
Other financing sources (uses):							
Transfers in	100	-	-	5,836	-	-	45,000
Transfers out	-	-	-	-	(74,040)	-	-
Total other financing sources (uses)	100	-	-	5,836	(74,040)	-	45,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,841)	-	27,250	112,300	(74,040)	24,835	(43,783)
Cash and investments - beginning	42,665	139,171	(10,289)	106,403	74,040	33,721	476,699
Cash and investments - ending	<u>\$ 38,824</u>	<u>\$ 139,171</u>	<u>\$ 16,961</u>	<u>\$ 218,703</u>	<u>\$ -</u>	<u>\$ 58,556</u>	<u>\$ 432,916</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 38,824	\$ 139,171	\$ 16,961	\$ 218,703	\$ -	\$ 58,556	\$ 432,916
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 38,824	\$ 139,171	\$ 16,961	\$ 218,703	\$ -	\$ 58,556	\$ 432,916
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	38,824	139,171	16,961	218,703	-	58,556	432,916
Total cash and investment fund balance - ending	\$ 38,824	\$ 139,171	\$ 16,961	\$ 218,703	\$ -	\$ 58,556	\$ 432,916

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Indiana Network for Assess	WVEC Workshops	Access Indiana Project	Playground Fund	Education License Plates	Safe Haven Grant	WVEC Author Visits
Receipts:							
Local sources	\$ -	\$ 141,915	\$ 190,892	\$ 44,806	\$ -	\$ -	\$ 17,467
Intermediate sources	-	-	3,940	-	1,331	-	-
State sources	-	-	-	-	-	9,361	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	26	-	-	-	-
Total receipts	-	141,915	194,858	44,806	1,331	9,361	17,467
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	83,816	145,131	-	419	9,361	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	83,816	145,131	-	419	9,361	-
Excess (deficiency) of receipts over disbursements	-	58,099	49,727	44,806	912	-	17,467
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(45,000)	-	-	-	-	-
Total other financing sources (uses)	-	(45,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	13,099	49,727	44,806	912	-	17,467
Cash and investments - beginning	6,199	92,414	40,726	22,465	5,533	-	-
Cash and investments - ending	<u>\$ 6,199</u>	<u>\$ 105,513</u>	<u>\$ 90,453</u>	<u>\$ 67,271</u>	<u>\$ 6,445</u>	<u>\$ -</u>	<u>\$ 17,467</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 6,199	\$ 105,513	\$ 90,453	\$ 67,271	\$ 6,445	\$ -	\$ 17,467
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,199</u>	<u>\$ 105,513</u>	<u>\$ 90,453</u>	<u>\$ 67,271</u>	<u>\$ 6,445</u>	<u>\$ -</u>	<u>\$ 17,467</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,199	105,513	90,453	67,271	6,445	-	17,467
Total cash and investment fund balance - ending	<u>\$ 6,199</u>	<u>\$ 105,513</u>	<u>\$ 90,453</u>	<u>\$ 67,271</u>	<u>\$ 6,445</u>	<u>\$ -</u>	<u>\$ 17,467</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	AON Settlement Fund	Staff Recognition	General Donation Fund	Arts Donation Fund	Gifted and Talented 2004-2005	Gifted and Talented 2005-2006	Gifted and Talented 2006-2007
Receipts:							
Local sources	\$ 144	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	13,819
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	144	200	-	-	-	-	13,819
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	296	1,612	-	-	7	8,404	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	296	1,612	-	-	7	8,404	-
Excess (deficiency) of receipts over disbursements	(152)	(1,412)	-	-	(7)	(8,404)	13,819
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	(152)	(1,412)	-	-	(7)	(8,404)	13,819
Cash and investments - beginning	152	1,625	4,997	1	7	13,819	-
Cash and investments - ending	\$ -	\$ 213	\$ 4,997	\$ 1	\$ -	\$ 5,415	\$ 13,819
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 213	\$ 4,997	\$ 1	\$ -	\$ 5,415	\$ 13,819
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 213	\$ 4,997	\$ 1	\$ -	\$ 5,415	\$ 13,819
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	213	4,997	1	-	5,415	13,819
Total cash and investment fund balance - ending	\$ -	\$ 213	\$ 4,997	\$ 1	\$ -	\$ 5,415	\$ 13,819

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	WVEC G/T #1 2005-2006	WVEC G/T #2 2005-2006	WVEC Gifted and Talented	Perkins Grant	WVEC IHC Grant	Non-English Speaking	School Technology Fund
Receipts:							
Local sources	\$ -	\$ 550	\$ 1,550	\$ -	\$ -	\$ -	\$ 3,159
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	4,905	14,445	2,700	2,072	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	550	6,455	14,445	2,700	2,072	3,159
Disbursements:							
Current:							
Instruction	-	-	-	-	-	2,072	-
Support services	1,075	4,978	27,955	17,394	1,881	-	11,285
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,075	4,978	27,955	17,394	1,881	2,072	11,285
Excess (deficiency) of receipts over disbursements	(1,075)	(4,428)	(21,500)	(2,949)	819	-	(8,126)
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	(1,075)	(4,428)	(21,500)	(2,949)	819	-	(8,126)
Cash and investments - beginning	1,075	4,428	57,614	2,949	-	-	20,670
Cash and investments - ending	\$ -	\$ -	\$ 36,114	\$ -	\$ 819	\$ -	\$ 12,544
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 36,114	\$ -	\$ 819	\$ -	\$ 12,544
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 36,114	\$ -	\$ 819	\$ -	\$ 12,544
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	36,114	-	819	-	12,544
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 36,114	\$ -	\$ 819	\$ -	\$ 12,544

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Technology Plan Grant Round 5	WVEC Indiana Waterworks	Title I 2005-2006	Title I 2006-2007	Title V Part A 2006-2007	Title V Part A Innovation
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	1,000	-	-	-	-
Federal sources	-	-	-	131,692	2,600	5,195
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	1,000	-	131,692	2,600	5,195
Disbursements:						
Current:						
Instruction	-	-	119	78,516	-	3,077
Support services	13,801	461	2,954	26,588	-	-
Community services	-	-	-	1,356	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	13,801	461	3,073	106,460	-	3,077
Excess (deficiency) of receipts over disbursements	(13,801)	539	(3,073)	25,232	2,600	2,118
Other financing sources (uses):						
Transfers in	-	-	-	17,339	-	-
Transfers out	-	-	(17,339)	-	-	-
Total other financing sources (uses)	-	-	(17,339)	17,339	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,801)	539	(20,412)	42,571	2,600	2,118
Cash and investments - beginning	13,802	-	20,412	-	-	-
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ 42,571</u>	<u>\$ 2,600</u>	<u>\$ 2,118</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1	\$ 539	\$ -	\$ 42,571	\$ 2,600	\$ 2,118
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ 42,571</u>	<u>\$ 2,600</u>	<u>\$ 2,118</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1</u>	<u>539</u>	<u>-</u>	<u>42,571</u>	<u>2,600</u>	<u>2,118</u>
Total cash and investment fund balance - ending	<u>\$ 1</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ 42,571</u>	<u>\$ 2,600</u>	<u>\$ 2,118</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Drug Free Schools 2005-2006	Drug Free Schools 2004-2005	Toyota Tapestry Grant	Emergency Impact Aid	Title II Part A Teacher Improvement	Title II Part A Teacher Improvement
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	4,500	-	-
Federal sources	-	-	-	5,399	27,410	(309)
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,899</u>	<u>27,410</u>	<u>(309)</u>
Disbursements:						
Current:						
Instruction	-	-	-	4,500	53,762	81,097
Support services	650	120	-	-	-	-
Community services	1,070	1,196	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>1,720</u>	<u>1,316</u>	<u>-</u>	<u>4,500</u>	<u>53,762</u>	<u>81,097</u>
Excess (deficiency) of receipts over disbursements	<u>(1,720)</u>	<u>(1,316)</u>	<u>-</u>	<u>5,399</u>	<u>(26,352)</u>	<u>(81,406)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	4,422
Transfers out	-	(3,336)	-	-	(1,058)	(2,299)
Total other financing sources (uses)	<u>-</u>	<u>(3,336)</u>	<u>-</u>	<u>-</u>	<u>(1,058)</u>	<u>2,123</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,720)</u>	<u>(4,652)</u>	<u>-</u>	<u>5,399</u>	<u>(27,410)</u>	<u>(79,283)</u>
Cash and investments - beginning	<u>3,498</u>	<u>4,652</u>	<u>5,092</u>	<u>-</u>	<u>27,410</u>	<u>83,663</u>
Cash and investments - ending	<u>\$ 1,778</u>	<u>\$ -</u>	<u>\$ 5,092</u>	<u>\$ 5,399</u>	<u>\$ -</u>	<u>\$ 4,380</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,778	\$ -	\$ 5,092	\$ 5,399	\$ -	\$ 4,380
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,778</u>	<u>\$ -</u>	<u>\$ 5,092</u>	<u>\$ 5,399</u>	<u>\$ -</u>	<u>\$ 4,380</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,778</u>	<u>-</u>	<u>5,092</u>	<u>5,399</u>	<u>-</u>	<u>4,380</u>
Total cash and investment fund balance - ending	<u>\$ 1,778</u>	<u>\$ -</u>	<u>\$ 5,092</u>	<u>\$ 5,399</u>	<u>\$ -</u>	<u>\$ 4,380</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II Enhancing Education	WVEC Title III English Language	School Pension Debt Service	Salisbury Construction Fund	Repair and Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 82,795	\$ -	\$ -	\$ 1,467,548
Intermediate sources	-	-	-	-	-	6,315
State sources	-	-	-	-	-	404,849
Federal sources	-	89,975	-	-	-	261,962
Sale of property, adjustments and refunds	-	-	-	-	-	17,744
Total receipts	-	89,975	82,795	-	-	2,158,418
Disbursements:						
Current:						
Instruction	-	11,490	-	-	-	234,633
Support services	1,353	61,150	-	-	-	1,644,290
Community services	-	-	-	-	-	3,622
Nonprogrammed charges	-	-	-	-	-	65,455
Debt services	-	-	88,278	-	-	88,278
Total disbursements	1,353	72,640	88,278	-	-	2,036,278
Excess (deficiency) of receipts over disbursements	(1,353)	17,335	(5,483)	-	-	122,140
Other financing sources (uses):						
Transfers in	-	-	442	-	-	73,139
Transfers out	-	-	-	-	-	(143,072)
Total other financing sources (uses)	-	-	442	-	-	(69,933)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,353)	17,335	(5,041)	-	-	52,207
Cash and investments - beginning	1,353	2,727	6,531	41,788	49,399	1,397,411
Cash and investments - ending	\$ -	\$ 20,062	\$ 1,490	\$ 41,788	\$ 49,399	\$ 1,449,618
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 20,062	\$ -	\$ 41,788	\$ 49,399	\$ 1,448,128
Restricted assets:						
Cash and investments	-	-	1,490	-	-	1,490
Total cash and investment assets - ending	\$ -	\$ 20,062	\$ 1,490	\$ 41,788	\$ 49,399	\$ 1,449,618
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 1,490	\$ -	\$ -	\$ 1,490
Unrestricted	-	20,062	-	41,788	49,399	1,448,128
Total cash and investment fund balance - ending	\$ -	\$ 20,062	\$ 1,490	\$ 41,788	\$ 49,399	\$ 1,449,618

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For the Year Ended June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 858,558
Buildings	20,579,217
Improvements other than buildings	2,901,905
Machinery and equipment	<u>6,091,205</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 30,430,885</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended December 31, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
West Lafayette Jr./Sr. High School	\$ 25,966,906	\$ 2,886,500
Tax Anticipation Warrants	3,353,723	3,466,855
Bonds payable:		
School Pension Bonds of 2004	<u>203,562</u>	<u>88,400</u>
Total governmental activities debt	<u>\$ 29,524,191</u>	<u>\$ 6,441,755</u>

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

PRIVATIZED LUNCH SERVICE - INTERNAL CONTROLS - SCHOOL LUNCH

The school lunch program is outsourced to Sodexho Services of Indiana, LP. The controls over the receipting and reporting of school lunch funds are insufficient:

1. Monthly Profit and Loss Statements are provided by Sodexho to the School Board; however, no meal counts are included.
2. Monthly CND-1 Reports are prepared and submitted by the Sodexho personnel, but no review of the reports is conducted by School Corporation personnel.
3. No analysis of the lunch program is compiled by the School Corporation to review performance, compliance, or profitability.
4. Lunch receipts, consisting of cash and checks, are counted by the Sodexho administrative assistant and delivered to the Extra-Curricular Treasurer, who deposits the funds into the bank. The Sodexho personnel do not receive a receipt for delivery of the funds. A duplicate bank deposit slip is delivered to the central business office. A receipt is issued for the amount of the deposit slip. The receipt functions as the source document from which the receipts are entered into fund ledgers.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PENALTY - WITHHOLDING TAX REMITTANCE

A penalty of \$2,277.21 was paid to the Internal Revenue Service on August 22, 2005, for the delinquent payment of the June 20, 2005, payroll taxes. The payroll taxes were due for remittance on June 21, 2005, but were paid June 23, 2005. Additionally, payroll taxes were overpaid on June 23, 2005, by \$2,673.01. Payments are made via electronic transfer. The Internal Revenue Service assessed the late penalty of \$2,277.21, on August 22, 2005, offset against the overpayment, and returned \$395.80 to the School Corporation.

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

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

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

LACK OF CONTROLS AND CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping and internal control procedures were noted:

1. Record balances were not reconciled to depository balances in a timely manner. All reconcilements presented for examination contained amounts necessary to reconcile labeled "Corrections in transit."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

2. There were a considerable number of posting errors. The errors included checks not recorded in the proper amounts, voided checks not voided in the system, and manual checks not recorded.

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

3. Some transactions were recorded as "negative" receipts and disbursements.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

4. Corrections were sometimes posted by changing the computer generated check amount in the system, then writing a manual check for the corrected amount. The original check (the computer generated check) would be partially voided (by an entry) changing the amount posted to an amount other than the original amount (the amount printed on the check) and the manual check (issued for the posted amount) would not be posted to the system. The result is that the check that would clear the bank would be for the corrected amount but that particular check (the manual check) would not be on the records. Check number 123 to XXX Corporation for example, was computer generated for \$961.40 and then voided for \$600.00 correcting the amount posted to \$361.40. A manual check would be issued for the \$361.40 but would never be posted to the records. The computer generated check would be in the check history and therefore on the outstanding check list for the original amount, \$961.40 (the correcting entry would not show in the check history) but the check is never going to clear the bank. The issued check, the manual check for \$361.40, is going to clear the bank but is not going to appear in the check history or on the outstanding check list.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

5. Corrections were sometimes posted by changing a computer generated check amount in the system. A check which is issued and then subsequently voided, could be voided by changing the check amount from a positive amount to a negative amount. The check for example, is issued for \$31,500.00 to XXX Corporation, and then discovered before sending the check, but after posting, that the check is a duplicate payment and the check is then voided. The check amount would then be changed to a negative \$31,500.00. The check history would only recognize the negative amount (because the original amount would be written over). A review of the vendor history would show both the original disbursement and the negative resulting in a zero balance.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

6. We could always not prove checks to disbursements from the information provided for examination. The problem was due in part to the overwriting of checks and other issues noted above, the overwriting of check runs within the system and the lack of a sufficient audit trail between the source documents and the computer posting. The problem was especially true for the payroll clearing accounts and some adjustment postings.

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to trace all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

CASH NECESSARY TO BALANCE - BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance as of June 30, 2007, was \$4,607.77.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING

The information presented for examination indicates enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were less than actual class lists for the 2006-2007 year.

The enrollment count dates for 2005-2006 and 2006-2007 were September 16, 2005, and September 15, 2006, respectively. The difference between the count reported on the ADM and the verified figures are shown below:

<u>School Year</u>	<u>Grade</u>	<u>Count as Reported on Form 30A</u>	<u>Actual Enrollment Figures</u>	<u>Difference</u>
2006-2007	7 through 12	928	931	(3)

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

OVERDRAWN CASH BALANCES

The cash balances of the School Lunch Fund and the Debt Service Fund were overdrawn \$10,289 and \$24,076, respectively, at June 30, 2006. The Transportation Operating Fund and the Debt Service Fund were overdrawn \$57,617 and \$33,284, respectively, at June 30, 2007.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 31, 2008, with Dawn E. Williams, Treasurer; Konstance L. Laws, Deputy Treasurer; Dr. Rocky D. Killian, Superintendent of Schools; Dianne B. Sautter, President of School Board; Roland Winger, School Board member; and Alan R. Karpick, School Board member. The official response has been made a part of this report and may be found on pages 37 and 38.

RESPONSE TO THE WLCSC 2005 – 2007 AUDIT

Prepared by
Rocky Killion, Superintendent of Schools
&
Konnie Laws, School Corporation Treasurer

In November of 2007, representatives from the State began their audit of the West Lafayette Community School Corporation (WLCSC) finances. Their audit covered July 2005 – June 2007. My tenure as Superintendent of the WLCSC began July 1, 2007. Since December 2006 the WLCSC has been without a business manager. As the newly appointed superintendent, because I wanted to become more familiar with the current school budget, I maintained the current central office configuration and prepared the 2008 School Budget with the help of one of my colleagues who is considered one of the best school business managers in the State of Indiana. After the formation, presentation, and submission of the 2008 Budget, my focus turned to other important issues facing my school district trusting that the current school business software and central office configuration were adequate to properly report and reconcile the financial operations of my school district. As the result of this audit, I have concluded that changes to school business software and having someone constantly monitoring the financial operations of the WLCSC are necessary changes.

The items listed on the audit report of my school district reflect practices and procedures that have been in place for many years. Although the items cited are from prior years when the school district was under different administrations, as the newly appointed superintendent I am committed to ensuring that they are rectified. Also, I want to point out that an audit of the WLCSC finances was completed near the end of 2005. The only citation in the 2005 audit was an inventory of capital assets had not been completed. Nothing else was mentioned.

As superintendent, it is my charge to resolve the issues cited in the current audit report. Thus, I plan to implement the following systemic improvements to ensure this happens:

- 1) School business software programs will be reviewed and a new, more up-to-date software program with the appropriate safeguards and reporting/reconciliation protocols will be implemented by July 1, 2008. Moreover, the selected vendor will provide ongoing training and monitoring of its software reports and reconciliation protocols.
- 2) The new school treasurer, Mrs. Laws, was appointed February 1, 2008. She will receive personalized training from experienced school business managers to better prepare her not only as school treasurer but also with the hopes of preparing her to become the Chief Financial Officer of the WLCSC. She will be charged with monitoring the daily financial operations of the school district as well as obtaining the skills and knowledge necessary to formulate, present, and submit the school's annual operating budget.

- 3) An additional full-time employee with accounting and financial background will be secured for our business office so Mrs. Laws will have additional time and resources to fulfill the functions of her new job requirements. The new employee, who worked as a State Auditor, will be in place by February 25, 2008.
- 4) Mrs. Laws will make semi-annual financial reports to the Board of School of Trustees. The format of these reports will include a summary of revenues and expenditures to ensure that proper reconciliation is occurring.
- 5) Selected central office staff will periodically review the lunch program receipts and revenues to ensure accuracy.
- 6) The superintendent will ensure all payroll dockets are presented to the school board for approval, which include the timely submission of payroll taxes.
- 7) With the implementation of a new student management system, proper documentation for supporting ADM numbers is now in place. The review of this audit, which covered July 2005 to June 2007, showed the former student management system lacking in the necessary documentation for support of the ADM count.

The above strategies should ensure the issues listed in the current audit report are rectified under my administration. The WLCSC will be audited again in 2009. Between now and the next audit, we commit to ensuring that the 2009 auditors will find everything cited in this audit report rectified.

Respectfully Submitted,



Rocky Killion
Superintendent of Schools



Konnie Laws
Corporation Treasurer