

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

EXAMINATION REPORT
OF
TIPTON COMMUNITY SCHOOL CORPORATION
TIPTON COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
03/16/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Information:	
Statements of Activities and Net Assets – Cash and Investment Basis	4-5
Fund Financial Information:	
Governmental Funds:	
Statements of Assets and Fund Balances and Receipts, Disbursements, and Cash and Investment Balances – Cash and Investment Basis – Governmental Funds	6-7
Fiduciary Funds:	
Statements of Additions, Deductions, and Changes in Cash and Investments – Fiduciary Funds.....	8-9
Notes to Financial Information	10-14
Required Supplementary Information:	
Schedule of Funding Progress	15
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Other Governmental Funds.....	16-23
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	24-25
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	26-27
Schedule of Capital Assets.....	28
Schedule of Long-Term Debt	29
Examination Result and Comment:	
Overdrawn Fund Balances	30
Exit Conference.....	31

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Renee L. Anderson	07-01-06 to 06-30-09
Superintendent of Schools	Robert W. Schultz	07-01-06 to 06-30-09
President of the School Board	Karen L. McKinney Ken Ehman	07-01-06 to 06-30-08 07-01-08 to 06-30-09



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TIPTON COMMUNITY SCHOOL CORPORATION, TIPTON COUNTY, INDIANA

We have examined the financial information presented herein of the Tipton Community School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

December 18, 2008

TIPTON COMMUNITY SCHOOL CORPORATION
STATEMENT 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>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 7,728,246	\$ -	\$ 65,306	\$ -	\$ (7,662,940)
Support services	6,187,046	525,757	227,028	-	(5,434,261)
Community services	197,703	-	-	-	(197,703)
Nonprogrammed charges	152,416	-	-	-	(152,416)
Debt service	<u>2,963,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,963,532)</u>
Total governmental activities	<u>\$ 17,228,943</u>	<u>\$ 525,757</u>	<u>\$ 292,334</u>	<u>\$ -</u>	<u>(16,410,852)</u>
General receipts:					
Property taxes					7,457,145
Other local sources					1,547,219
State aid					6,273,220
Bonds and loans					1,385,099
Grants and contributions not restricted to specific programs					221,271
Sale of property, adjustments, and refunds					13,986
Investment earnings					<u>276,249</u>
Total general receipts					<u>17,174,189</u>
Change in net assets					763,337
Net assets - beginning					<u>5,890,392</u>
Net assets - ending					<u>\$ 6,653,729</u>
Assets					
Cash and investments					\$ 6,039,415
Restricted assets:					
Cash and investments					<u>614,314</u>
Total assets					<u>\$ 6,653,729</u>
Net Assets					
Restricted for:					
Debt service					\$ 614,314
Unrestricted					<u>6,039,415</u>
Total net assets					<u>\$ 6,653,729</u>

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

TIPTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 7,314,328	\$ -	\$ 97,996	\$ -	\$ (7,216,332)
Support services	7,248,763	534,855	295,076	-	(6,418,832)
Community services	233,233	-	-	-	(233,233)
Nonprogrammed charges	114,293	-	-	-	(114,293)
Debt service	2,386,138	-	-	-	(2,386,138)
Total governmental activities	\$ 17,296,755	\$ 534,855	\$ 393,072	\$ -	(16,368,828)
General receipts:					
Property taxes					4,887,443
Other local sources					1,254,431
State aid					5,902,069
Bonds and loans					1,789,372
Grants and contributions not restricted to specific programs					227,341
Sale of property, adjustments, and refunds					2,618
Investment earnings					185,011
Total general receipts					14,248,285
Change in net assets					(2,120,543)
Net assets - beginning					6,653,729
Net assets - ending					\$ 4,533,186
<u>Assets</u>					
Cash and investments					\$ 4,464,511
Restricted assets:					
Cash and investments					68,674
Total assets					\$ 4,533,185
<u>Net Assets</u>					
Restricted for:					
Debt service					\$ 68,674
Unrestricted					4,464,511
Total net assets					\$ 4,533,185

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

TIPTON COMMUNITY SCHOOL CORPORATION
STATEMENT 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	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 4,489,896	\$ 1,013,271	\$ -	\$ 1,432,867	\$ 1,833,292	\$ 203,747	\$ 832,453	\$ 9,805,526
Intermediate sources	-	-	-	-	-	-	844	844
State sources	6,324,791	-	-	-	-	-	123,853	6,448,644
Federal sources	-	-	-	-	-	-	338,180	338,180
Bonds and loans	873,079	31,093	-	-	-	-	480,927	1,385,099
Sale of property, adjustments and refunds	64	-	-	-	-	11,755	2,167	13,986
Total receipts	11,687,830	1,044,364	-	1,432,867	1,833,292	215,502	1,778,424	17,992,279
Disbursements:								
Current:								
Instruction	7,523,973	-	-	-	-	-	204,273	7,728,246
Support services	2,702,907	842,809	-	-	1,654,723	110,408	876,199	6,187,046
Community services	197,206	-	-	-	-	-	497	197,703
Nonprogrammed charges	152,415	-	-	-	-	-	-	152,415
Debt services	1,073,001	292,774	-	1,474,425	-	-	123,332	2,963,532
Total disbursements	11,649,502	1,135,583	-	1,474,425	1,654,723	110,408	1,204,301	17,228,942
Excess (deficiency) of receipts over disbursements	38,328	(91,219)	-	(41,558)	178,569	105,094	574,123	763,337
Other financing sources (uses):								
Transfers in	8,140	29,832	75,000	-	1,500,000	-	1,502,807	3,115,779
Transfers out	-	(25,000)	-	(29,832)	(1,550,000)	-	(1,510,947)	(3,115,779)
Total other financing sources (uses)	8,140	4,832	75,000	(29,832)	(50,000)	-	(8,140)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	46,468	(86,387)	75,000	(71,390)	128,569	105,094	565,983	763,337
Cash and investments - beginning	1,796,120	565,595	400,000	677,201	2,011,447	67,655	372,374	5,890,392
Cash and investments - ending	<u>\$ 1,842,588</u>	<u>\$ 479,208</u>	<u>\$ 475,000</u>	<u>\$ 605,811</u>	<u>\$ 2,140,016</u>	<u>\$ 172,749</u>	<u>\$ 938,357</u>	<u>\$ 6,653,729</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,842,588	\$ 479,208	\$ 475,000	\$ -	\$ 2,140,016	\$ 172,749	\$ 929,854	\$ 6,039,415
Restricted assets:								
Cash and investments	-	-	-	605,811	-	-	8,503	614,314
Total cash and investment assets - ending	<u>\$ 1,842,588</u>	<u>\$ 479,208</u>	<u>\$ 475,000</u>	<u>\$ 605,811</u>	<u>\$ 2,140,016</u>	<u>\$ 172,749</u>	<u>\$ 938,357</u>	<u>\$ 6,653,729</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 605,811	\$ -	\$ -	\$ 8,503	\$ 614,314
Unrestricted	<u>1,842,588</u>	<u>479,208</u>	<u>475,000</u>	<u>-</u>	<u>2,140,016</u>	<u>172,749</u>	<u>929,854</u>	<u>6,039,415</u>
Total cash and investment fund balance - ending	<u>\$ 1,842,588</u>	<u>\$ 479,208</u>	<u>\$ 475,000</u>	<u>\$ 605,811</u>	<u>\$ 2,140,016</u>	<u>\$ 172,749</u>	<u>\$ 938,357</u>	<u>\$ 6,653,729</u>

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

TIPTON COMMUNITY SCHOOL CORPORATION
STATEMENT 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, 2008

	General	Transportation Operating	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 3,159,321	\$ 671,074	\$ -	\$ 856,519	\$ 1,233,235	\$ 124,680	\$ 816,686	\$ 6,861,515
Intermediate sources	-	-	-	-	-	-	225	225
State sources	5,966,263	-	-	-	-	-	172,641	6,138,904
Federal sources	-	-	-	-	-	-	383,577	383,577
Bonds and loans	1,789,372	-	-	-	-	-	-	1,789,372
Sale of property, adjustments and refunds	93	-	-	-	975	-	1,550	2,618
Total receipts	10,915,049	671,074	-	856,519	1,234,210	124,680	1,374,679	15,176,211
Disbursements:								
Current:								
Instruction	7,092,548	-	-	-	-	-	221,780	7,314,328
Support services	2,940,980	963,875	-	-	1,727,025	128,073	1,488,809	7,248,762
Community services	232,237	-	-	-	-	-	996	233,233
Nonprogrammed charges	114,293	-	-	-	-	-	-	114,293
Debt services	873,887	31,196	-	1,360,877	-	-	120,178	2,386,138
Total disbursements	11,253,945	995,071	-	1,360,877	1,727,025	128,073	1,831,763	17,296,754
Excess (deficiency) of receipts over disbursements	(338,896)	(323,997)	-	(504,358)	(492,815)	(3,393)	(457,084)	(2,120,543)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	47	47
Transfers out	-	-	-	-	-	-	(47)	(47)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(338,896)	(323,997)	-	(504,358)	(492,815)	(3,393)	(457,084)	(2,120,543)
Cash and investments - beginning	1,842,588	479,208	475,000	605,811	2,140,016	172,749	938,357	6,653,729
Cash and investments - ending	<u>\$ 1,503,692</u>	<u>\$ 155,211</u>	<u>\$ 475,000</u>	<u>\$ 101,453</u>	<u>\$ 1,647,201</u>	<u>\$ 169,356</u>	<u>\$ 481,273</u>	<u>\$ 4,533,186</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,503,692	\$ 155,211	\$ 475,000	\$ -	\$ 1,647,201	\$ 169,356	\$ 514,051	\$ 4,464,511
Restricted assets:								
Cash and investments	-	-	-	101,453	-	-	(32,779)	68,674
Total cash and investment assets - ending	<u>\$ 1,503,692</u>	<u>\$ 155,211</u>	<u>\$ 475,000</u>	<u>\$ 101,453</u>	<u>\$ 1,647,201</u>	<u>\$ 169,356</u>	<u>\$ 481,272</u>	<u>\$ 4,533,185</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 101,453	\$ -	\$ -	\$ (32,779)	\$ 68,674
Unrestricted	<u>1,503,692</u>	<u>155,211</u>	<u>475,000</u>	<u>-</u>	<u>1,647,201</u>	<u>169,356</u>	<u>514,051</u>	<u>4,464,511</u>
Total cash and investment fund balance - ending	<u>\$ 1,503,692</u>	<u>\$ 155,211</u>	<u>\$ 475,000</u>	<u>\$ 101,453</u>	<u>\$ 1,647,201</u>	<u>\$ 169,356</u>	<u>\$ 481,272</u>	<u>\$ 4,533,185</u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 9,520
Investment earnings:		
Interest	<u>22,800</u>	<u>-</u>
Total additions	<u>22,800</u>	<u>9,520</u>
Deductions:		
Administrative and general	-	8,729
Debt service	<u>14,405</u>	<u>-</u>
Total deductions	<u>14,405</u>	<u>8,729</u>
Excess of total additions over total deductions	8,395	791
Cash and investment fund balance - beginning	<u>421,522</u>	<u>2,636</u>
Cash and investment fund balance - ending	<u>\$ 429,917</u>	<u>\$ 3,427</u>
Net assets:		
Cash and investments	<u>\$ 429,917</u>	<u>\$ 3,427</u>
Total net assets - cash and investment basis held in trust	<u>\$ 429,917</u>	<u>\$ 3,427</u>

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

TIPTON COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 106,898
Investment earnings:		
Interest	<u>12,680</u>	<u>-</u>
Total additions	<u>12,680</u>	<u>106,898</u>
Deductions:		
Administrative and general	-	5,476
Debt service	<u>80,201</u>	<u>-</u>
Total deductions	<u>80,201</u>	<u>5,476</u>
Excess (deficiency) of total additions over total deductions	(67,521)	101,422
Cash and investment fund balance - beginning	<u>429,917</u>	<u>3,427</u>
Cash and investment fund balance - ending	<u>\$ 362,396</u>	<u>\$ 104,849</u>
Net assets:		
Cash and investments	<u>\$ 362,396</u>	<u>\$ 104,849</u>
Total net assets - cash and investment basis held in trust	<u>\$ 362,396</u>	<u>\$ 104,849</u>

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

TIPTON 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 Information

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays 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 Statements

Fund financial statements 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 statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

TIPTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

The local rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school corporation.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements 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 statements.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

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

TIPTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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 be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 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.

TIPTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2006	2007
Transportation Operating Fund	Local Rainy Day Fund	\$ 75,000	\$ -
Debt Service Fund	Transportation Operating Fund	29,832	-
Capital Projects Fund	Other governmental funds	1,500,000	-
Other governmental funds	General Fund	8,140	-
	Capital Outlay Fund	1,500,000	-
	Other governmental funds	2,807	47
Totals		<u>\$ 3,115,779</u>	<u>\$ 47</u>

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

Note 7. Pension Plans

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.

TIPTON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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

As of December 8, 2008, the Tipton Community School Corporation has approved a transportation center and outdoor facilities improvement project at an estimated cost of \$5,450,000. The project will be financed by a bond issued to be repaid over 12.5 years.

TIPTON 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 1,523,144	\$ 1,781,621	\$ (258,477)	85%	\$ 1,604,082	(16%)
07-01-06	1,605,360	1,832,577	(227,217)	88%	1,570,092	(14%)
07-01-07	1,843,582	2,051,171	(207,589)	90%	1,574,473	(13%)

TIPTON 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

	Special Education Preschool	School Lunch	Textbook Rental	Special Education Plate	State Grant	Other Grant	Entrepreneurship Education
Receipts:							
Local sources	\$ 12,684	\$ 473,452	\$ 220,588	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	844	-	-	-
State sources	58,860	12,420	32,935	-	5,904	-	13,617
Federal sources	-	181,673	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	2,167	-	-	-	-
Total receipts	71,544	667,545	255,690	844	5,904	-	13,617
Disbursements:							
Current:							
Instruction	53,292	-	-	-	5,904	824	12,249
Support services	-	686,017	169,423	-	-	-	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	53,292	686,017	169,423	-	5,904	824	12,249
Excess (deficiency) of receipts over disbursements	18,252	(18,472)	86,267	844	-	(824)	1,368
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(8,140)	-	-	-	-	-	-
Total other financing sources (uses)	(8,140)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,112	(18,472)	86,267	844	-	(824)	1,368
Cash and investments - beginning	10,214	122,675	184,743	4,158	-	824	-
Cash and investments - ending	\$ 20,326	\$ 104,203	\$ 271,010	\$ 5,002	\$ -	\$ -	\$ 1,368
Cash and Investment Assets - Ending							
Cash and investments	\$ 20,326	\$ 104,203	\$ 271,010	\$ 5,002	\$ -	\$ -	\$ 1,368
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 20,326	\$ 104,203	\$ 271,010	\$ 5,002	\$ -	\$ -	\$ 1,368
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,326	104,203	271,010	5,002	-	-	1,368
Total cash and investment fund balance - ending	\$ 20,326	\$ 104,203	\$ 271,010	\$ 5,002	\$ -	\$ -	\$ 1,368

TIPTON 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)

	Non English Speaking Program	Title I, FY 2008-09	Title I, FY 2006-07	Title V Pt A, Innovative FY 06-07	Title V Pt A, Innovative FY 05-06	Title V Pt A, Innovative FY 04-05	Title V Pt A, Innovative 2007-08
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	117	-	-	-	-	-	-
Federal sources	-	64,123	8,600	2,886	-	-	7,578
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	117	64,123	8,600	2,886	-	-	7,578
Disbursements:							
Current:							
Instruction	-	49,462	21,039	-	-	-	-
Support services	-	122	-	861	723	3,983	7,578
Community services	-	-	497	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	49,584	21,536	861	723	3,983	7,578
Excess (deficiency) of receipts over disbursements	117	14,539	(12,936)	2,025	(723)	(3,983)	-
Other financing sources (uses):							
Transfers in	-	2,807	-	-	-	-	-
Transfers out	-	-	(2,807)	-	-	-	-
Total other financing sources (uses)	-	2,807	(2,807)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	117	17,346	(15,743)	2,025	(723)	(3,983)	-
Cash and investments - beginning	-	-	15,744	-	723	4,431	-
Cash and investments - ending	\$ 117	\$ 17,346	\$ 1	\$ 2,025	\$ -	\$ 448	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 117	\$ 17,346	\$ 1	\$ 2,025	\$ -	\$ 448	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 117	\$ 17,346	\$ 1	\$ 2,025	\$ -	\$ 448	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	117	17,346	1	2,025	-	448	-
Total cash and investment fund balance - ending	\$ 117	\$ 17,346	\$ 1	\$ 2,025	\$ -	\$ 448	\$ -

TIPTON 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)

	Other Grant # 2	Title IV Pt A, Safe/Drug Free FY 2004-05	Title IV Pt A, Safe/Drug Free FY 2005-06	Title IV Pt A, Safe/Drug Free FY 2006-07	Katrina Fund	Title II Pt A, Improve Teacher Quality FY 07-08	Title II Pt A, Improve Teacher Quality FY 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	4,441	9,000	48,436	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	4,441	9,000	48,436	-
Disbursements:							
Current:							
Instruction	240	-	-	-	-	45,853	-
Support services	-	778	2,070	1,800	-	-	285
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	240	778	2,070	1,800	-	45,853	285
Excess (deficiency) of receipts over disbursements	(240)	(778)	(2,070)	2,641	9,000	2,583	(285)
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	(240)	(778)	(2,070)	2,641	9,000	2,583	(285)
Cash and investments - beginning	240	778	2,715	-	9,000	-	1,153
Cash and investments - ending	\$ -	\$ -	\$ 645	\$ 2,641	\$ 18,000	\$ 2,583	\$ 868
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 645	\$ 2,641	\$ 18,000	\$ 2,583	\$ 868
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 645	\$ 2,641	\$ 18,000	\$ 2,583	\$ 868
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	645	2,641	18,000	2,583	868
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 645	\$ 2,641	\$ 18,000	\$ 2,583	\$ 868

TIPTON 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 Pt A, Improve Teacher Quality FY 07-08	Title III Limited English 05-06	Title III Limited English 06-07	Title III Language Instruction	School Pension Debt	Construction	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 125,729	\$ -	\$ 832,453
Intermediate sources	-	-	-	-	-	-	844
State sources	-	-	-	-	-	-	123,853
Federal sources	9,717	-	-	1,726	-	-	338,180
Bonds and loans	-	-	-	-	-	480,927	480,927
Sale of property, adjustments and refunds	-	-	-	-	-	-	2,167
Total receipts	9,717	-	-	1,726	125,729	480,927	1,778,424
Disbursements:							
Current:							
Instruction	14,199	-	1,211	-	-	-	204,273
Support services	-	746	-	1,813	-	-	876,199
Community services	-	-	-	-	-	-	497
Debt services	-	-	-	-	123,332	-	123,332
Total disbursements	14,199	746	1,211	1,813	123,332	-	1,204,301
Excess (deficiency) of receipts over disbursements	(4,482)	(746)	(1,211)	(87)	2,397	480,927	574,123
Other financing sources (uses):							
Transfers in	-	-	-	-	-	1,500,000	1,502,807
Transfers out	-	-	-	-	-	(1,500,000)	(1,510,947)
Total other financing sources (uses)	-	-	-	-	-	-	(8,140)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,482)	(746)	(1,211)	(87)	2,397	480,927	565,983
Cash and investments - beginning	5,115	746	1,211	1,798	6,106	-	372,374
Cash and investments - ending	\$ 633	\$ -	\$ -	\$ 1,711	\$ 8,503	\$ 480,927	\$ 938,357
Cash and Investment Assets - Ending							
Cash and investments	\$ 633	\$ -	\$ -	\$ 1,711	\$ -	\$ 480,927	\$ 929,854
Restricted assets:							
Cash and investments	-	-	-	-	8,503	-	8,503
Total cash and investment assets - ending	\$ 633	\$ -	\$ -	\$ 1,711	\$ 8,503	\$ 480,927	\$ 938,357
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 8,503	\$ -	\$ 8,503
Unrestricted	633	-	-	1,711	-	480,927	929,854
Total cash and investment fund balance - ending	\$ 633	\$ -	\$ -	\$ 1,711	\$ 8,503	\$ 480,927	\$ 938,357

TIPTON 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, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Special Education Plate	High Ability Grant	Entrepreneurship Education	Non English Speaking Program
Receipts:							
Local sources	\$ 8,072	\$ 477,274	\$ 208,218	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	225	-	-	-
State sources	49,349	12,532	76,959	-	33,314	-	487
Federal sources	-	205,585	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	1,550	-	-	-	-
Total receipts	57,421	695,391	286,727	225	33,314	-	487
Disbursements:							
Current:							
Instruction	55,662	-	-	-	32,464	1,368	-
Support services	-	724,711	265,217	-	-	-	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	55,662	724,711	265,217	-	32,464	1,368	-
Excess (deficiency) of receipts over disbursements	1,759	(29,320)	21,510	225	850	(1,368)	487
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	1,759	(29,320)	21,510	225	850	(1,368)	487
Cash and investments - beginning	20,326	104,203	271,010	5,002	-	1,368	117
Cash and investments - ending	<u>\$ 22,085</u>	<u>\$ 74,883</u>	<u>\$ 292,520</u>	<u>\$ 5,227</u>	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 604</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 22,085	\$ 74,883	\$ 292,520	\$ 5,227	\$ 850	\$ -	\$ 604
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 22,085	\$ 74,883	\$ 292,520	\$ 5,227	\$ 850	\$ -	\$ 604
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,085	74,883	292,520	5,227	850	-	604
Total cash and investment fund balance - ending	\$ 22,085	\$ 74,883	\$ 292,520	\$ 5,227	\$ 850	\$ -	\$ 604

TIPTON 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, 2008
 (Continued)

	Title I, FY 2007-08	Title I, FY 2008-09	Title I, FY 2006-07	Title V Pt A, Innovative FY 06-07	Title V Pt A, Innovative FY 04-05	Title V Pt A, Innovative FY 07-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	105,401	6,084	-	-	-	2,765
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	105,401	6,084	-	-	-	2,765
Disbursements:						
Current:						
Instruction	78,297	21,828	-	-	-	-
Support services	-	559	1	337	448	549
Community services	-	996	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	78,297	23,383	1	337	448	549
Excess (deficiency) of receipts over disbursements	27,104	(17,299)	(1)	(337)	(448)	2,216
Other financing sources (uses):						
Transfers in	47	-	-	-	-	-
Transfers out	-	(47)	-	-	-	-
Total other financing sources (uses)	47	(47)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,151	(17,346)	(1)	(337)	(448)	2,216
Cash and investments - beginning	-	17,346	1	2,025	448	-
Cash and investments - ending	\$ 27,151	\$ -	\$ -	\$ 1,688	\$ -	\$ 2,216
Cash and Investment Assets - Ending						
Cash and investments	\$ 27,151	\$ -	\$ -	\$ 1,688	\$ -	\$ 2,216
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 27,151	\$ -	\$ -	\$ 1,688	\$ -	\$ 2,216
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,151	-	-	1,688	-	2,216
Total cash and investment fund balance - ending	\$ 27,151	\$ -	\$ -	\$ 1,688	\$ -	\$ 2,216

TIPTON 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, 2008
 (Continued)

	Title IV Pt A, Safe/Drug Free FY 08-09	Title IV Pt A, Safe/Drug Free FY 2005-06	Title IV Pt A, Safe/Drug Free FY 2006-07	Katrina Fund	Title II Pt A, Improve Teacher Quality FY 07-08	Title II Pt A, Improve Teacher Quality FY 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,325	-	-	-	9,687	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	4,325	-	-	-	9,687	-
Disbursements:						
Current:						
Instruction	-	-	-	-	12,054	-
Support services	2,256	645	2,182	-	-	868
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,256	645	2,182	-	12,054	868
Excess (deficiency) of receipts over disbursements	2,069	(645)	(2,182)	-	(2,367)	(868)
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	2,069	(645)	(2,182)	-	(2,367)	(868)
Cash and investments - beginning	-	645	2,641	18,000	2,583	868
Cash and investments - ending	\$ 2,069	\$ -	\$ 459	\$ 18,000	\$ 216	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,069	\$ -	\$ 459	\$ 18,000	\$ 216	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,069	\$ -	\$ 459	\$ 18,000	\$ 216	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,069	-	459	18,000	216	-
Total cash and investment fund balance - ending	\$ 2,069	\$ -	\$ 459	\$ 18,000	\$ 216	\$ -

TIPTON 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, 2008
 (Continued)

	Title II Pt A, Improve Teacher Quality FY 07-08	Title III Language Instruction	Title III Limited English	School Pension Debt	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 78,896	\$ 44,226	\$ 816,686
Intermediate sources	-	-	-	-	-	225
State sources	-	-	-	-	-	172,641
Federal sources	48,760	-	970	-	-	383,577
Sale of property, adjustments and refunds	-	-	-	-	-	1,550
Total receipts	48,760	-	970	78,896	44,226	1,374,679
Disbursements:						
Current:						
Instruction	20,107	-	-	-	-	221,780
Support services	-	1,711	-	-	489,325	1,488,809
Community services	-	-	-	-	-	996
Debt services	-	-	-	120,178	-	120,178
Total disbursements	20,107	1,711	-	120,178	489,325	1,831,763
Excess (deficiency) of receipts over disbursements	28,653	(1,711)	970	(41,282)	(445,099)	(457,084)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	47
Transfers out	-	-	-	-	-	(47)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,653	(1,711)	970	(41,282)	(445,099)	(457,084)
Cash and investments - beginning	633	1,711	-	8,503	480,927	938,357
Cash and investments - ending	<u>\$ 29,286</u>	<u>\$ -</u>	<u>\$ 970</u>	<u>\$ (32,779)</u>	<u>\$ 35,828</u>	<u>\$ 481,273</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 29,286	\$ -	\$ 970	\$ -	\$ 35,828	\$ 514,052
Restricted assets:						
Cash and investments	-	-	-	(32,779)	-	(32,779)
Total cash and investment assets - ending	<u>\$ 29,286</u>	<u>\$ -</u>	<u>\$ 970</u>	<u>\$ (32,779)</u>	<u>\$ 35,828</u>	<u>\$ 481,273</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ (32,779)	\$ -	\$ (32,779)
Unrestricted	29,286	-	970	-	35,828	514,052
Total cash and investment fund balance - ending	<u>\$ 29,286</u>	<u>\$ -</u>	<u>\$ 970</u>	<u>\$ (32,779)</u>	<u>\$ 35,828</u>	<u>\$ 481,273</u>

TIPTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	<u>Retirement/ Severance Bond</u>	<u>Totals</u>
Additions:		
Investment earnings:		
Interest	\$ 22,800	\$ 22,800
Total additions	<u>22,800</u>	<u>22,800</u>
Deductions:		
Debt service	<u>14,405</u>	<u>14,405</u>
Total deductions	<u>14,405</u>	<u>14,405</u>
Excess of total additions over total deductions	8,395	8,395
Cash and investment fund balance - beginning	<u>421,522</u>	<u>421,522</u>
Cash and investment fund balance - ending	<u>\$ 429,917</u>	<u>\$ 429,917</u>
Net assets:		
Cash and investments	<u>\$ 429,917</u>	<u>\$ 429,917</u>
Total net assets - cash and investment basis held in trust	<u>\$ 429,917</u>	<u>\$ 429,917</u>

TIPTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Totals
Additions:		
Interest	12,680	12,680
Total additions	12,680	12,680
Deductions:		
Debt Service	80,201	80,201
Total deductions	80,201	80,201
Deficiency of total additions over total deductions	(67,521)	(67,521)
Cash and investment fund balance - beginning	429,917	429,917
Cash and investment fund balance - ending	\$ 362,396	\$ 362,396
Net assets:		
Cash and investments	\$ 362,396	\$ 362,396
Total net assets - cash and investment basis held in trust	\$ 362,396	\$ 362,396

TIPTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Tipton County Foundation Grant	Donation	Council On Alcohol, Tobacco, Drug Abuse	Gargill Scholarship, Library	Contributions	Totals
Additions:						
Contributions:						
Other	\$ 3,500	\$ 100	\$ 2,320	\$ 1,300	\$ 2,300	\$ 9,520
Total additions	<u>3,500</u>	<u>100</u>	<u>2,320</u>	<u>1,300</u>	<u>2,300</u>	<u>9,520</u>
Deductions:						
Administrative and general	<u>3,847</u>	<u>100</u>	<u>1,491</u>	<u>991</u>	<u>2,300</u>	<u>8,729</u>
Excess (deficiency) of total additions over total deductions	(347)	-	829	309	-	791
Cash and investment fund balance - beginning	<u>836</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>2,636</u>
Cash and Investments - June 30	<u>\$ 489</u>	<u>\$ -</u>	<u>\$ 2,629</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 3,427</u>
Net assets:						
Cash and investments	<u>\$ 489</u>	<u>\$ -</u>	<u>\$ 2,629</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 3,427</u>
Total net assets - cash and investment basis held in trust	<u>\$ 489</u>	<u>\$ -</u>	<u>\$ 2,629</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 3,427</u>

TIPTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Tipton County Foundation Grant	Council On Alcohol, Tobacco, Drug Abuse	Eli Lilly HS Science Grant	Gargill Scholarship, Library	THS Tobacco Grant	Construction Contribution	Totals
Additions:							
Contributions:							
Other	\$ 3,500	\$ 1,500	\$ 398	\$ 200	\$ 1,300	\$ 100,000	\$ 106,898
Total additions	<u>3,500</u>	<u>1,500</u>	<u>398</u>	<u>200</u>	<u>1,300</u>	<u>100,000</u>	<u>106,898</u>
Deductions:							
Administrative and general	<u>3,182</u>	<u>488</u>	<u>398</u>	<u>309</u>	<u>1,099</u>	<u>-</u>	<u>5,476</u>
Excess (deficiency) of total additions over total deductions	318	1,012	-	(109)	201	100,000	101,422
Cash and investment fund balance - beginning	<u>489</u>	<u>2,629</u>	<u>-</u>	<u>309</u>	<u>-</u>	<u>-</u>	<u>3,427</u>
Cash and Investments - June 30	<u>\$ 807</u>	<u>\$ 3,641</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 201</u>	<u>\$ 100,000</u>	<u>\$ 104,849</u>
Net assets:							
Cash and investments	<u>\$ 807</u>	<u>\$ 3,641</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 201</u>	<u>\$ 100,000</u>	<u>\$ 104,849</u>
Total net assets - cash and investment basis held in trust	<u>\$ 807</u>	<u>\$ 3,641</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 201</u>	<u>\$ 100,000</u>	<u>\$ 104,849</u>

TIPTON COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2008

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	\$ 348,882
Buildings	21,856,404
Improvements other than buildings	1,462,658
Vehicles	1,783,621
Machinery and equipment	1,195,385
Total Governmental activities, capital assets not being depreciated	\$ 26,646,950

TIPTON COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

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:		
Elementary School	\$ 8,380,000	\$ 515,000
Middle School	1,900,000	110,000
Notes and loans payable	1,670,000	150,000
Bonds payable:		
General obligation bonds:		
School Buildings and Improvements	<u>575,000</u>	<u>95,000</u>
Total governmental activities debt	<u>\$ 12,525,000</u>	<u>\$ 870,000</u>

TIPTON COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The School Pension Debt Fund was overdrawn, in the amount of \$32,779, at June 30, 2008.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TIPTON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2008, with Robert W. Schultz, Superintendent of Schools; and Renee L. Anderson, Treasurer. The officials concurred with our findings.