

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

AUDIT REPORT
OF
TIPPECANOE SCHOOL CORPORATION
TIPPECANOE COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
03/07/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly J. Fox	07-01-08 to 06-30-11
Superintendent of Schools	Dr. Scott Hanback	07-01-08 to 06-30-11
President of the School Board	Randy Bond Janet Fox Elmore Dann Parker	07-01-08 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TIPPECANOE SCHOOL CORPORATION,
TIPPECANOE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tippecanoe School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress is not a required part of the basic financial statements 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 School Corporation has not presented Management's Discussion and Analysis, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and the Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 14, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TIPPECANOE SCHOOL CORPORATION,
TIPPECANOE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tippecanoe School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2010-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 14, 2011

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 49,968,243	\$ -	\$ 1,178,002	\$ (48,790,241)
Support services	32,834,392	3,411,994	2,093,018	(27,329,380)
Noninstructional services	4,530,486	-	-	(4,530,486)
Facilities acquisition and construction	10,786,945	-	-	(10,786,945)
Debt service	25,548,794	-	-	(25,548,794)
Nonprogrammed charges	5,462,244	-	-	(5,462,244)
Total governmental activities	\$ 129,131,104	\$ 3,411,994	\$ 3,271,020	(122,448,090)
General receipts:				
Property taxes				59,121,157
Other local sources				10,139,094
State aid				44,076,853
Bonds and loans				1,980,448
Grants and contributions not restricted to specific programs				8,425,523
Sale of property				486,797
Investment earnings				268,644
Other				49,590
Transfers				55,141
Total general receipts and transfers				124,603,247
Change in net assets				2,155,157
Net assets - beginning				25,282,664
Net assets - ending				\$ 27,437,821
<u>Assets</u>				
Cash and investments				\$ 27,244,128
Restricted assets:				
Cash and investments				193,693
Total assets				\$ 27,437,821
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 193,693
Unrestricted				27,244,128
Total net assets				\$ 27,437,821

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

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<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	\$ 52,937,586	\$ -	\$ 975,211	\$ (51,962,375)
Support services	34,132,588	3,252,211	2,463,733	(28,416,644)
Noninstructional services	5,076,511	-	-	(5,076,511)
Facilities acquisition and construction	15,779,494	-	-	(15,779,494)
Debt service	16,245,179	-	-	(16,245,179)
Nonprogrammed charges	<u>5,063,602</u>	<u>-</u>	<u>-</u>	<u>(5,063,602)</u>
Total governmental activities	<u>\$ 129,234,960</u>	<u>\$ 3,252,211</u>	<u>\$ 3,438,944</u>	<u>(122,543,805)</u>
General receipts:				
Property taxes				48,548,436
Other local sources				8,036,294
State aid				64,367,459
Bonds and loans				13,700,000
Grants and contributions not restricted to specific programs				6,366,419
Sale of property				588,784
Investment earnings				37,998
Other				31,984
Transfers				<u>(181,425)</u>
Total general receipts and transfers				<u>141,495,949</u>
Change in net assets				18,952,144
Net assets - beginning				<u>27,437,821</u>
Net assets - ending				<u>\$ 46,389,965</u>
<u>Assets</u>				
Cash and investments				\$ 38,881,837
Restricted assets:				
Cash and investments				<u>7,508,128</u>
Total assets				<u>\$ 46,389,965</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 7,508,128
Unrestricted				<u>38,881,837</u>
Total net assets				<u>\$ 46,389,965</u>

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

TIPPECANOE 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, 2009

	General	School Lunch	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 33,467,484	\$ 2,506,567	\$ -	\$ 14,610,632	\$ 13,510,482	\$ 8,736,483	\$ 72,831,648
Intermediate sources	103,728	-	-	-	-	5,513	109,241
State sources	45,188,047	52,867	-	-	46,759	1,119,621	46,407,294
Federal sources	-	1,686,877	5,582,985	-	-	2,096,240	9,366,102
Interfund loans	2,700,000	-	-	1,250,000	6,000,000	2,000,000	11,950,000
Other	9,145	-	-	-	38,569	1,876	49,590
Total receipts	81,468,404	4,246,311	5,582,985	15,860,632	19,595,810	13,959,733	140,713,875
Disbursements:							
Current:							
Instruction	47,688,195	-	-	-	-	2,280,048	49,968,243
Support services	18,902,410	-	-	-	4,811,794	9,120,188	32,834,392
Noninstructional services	799,940	3,642,887	-	-	-	87,659	4,530,486
Facilities acquisition and construction	-	-	-	-	9,707,135	1,079,810	10,786,945
Debt services	9,500,000	-	-	16,048,794	-	-	25,548,794
Nonprogrammed charges	4,969,869	-	-	-	-	492,375	5,462,244
Interfund loans	5,500,000	-	-	-	4,750,000	1,700,000	11,950,000
Total disbursements	87,360,414	3,642,887	-	16,048,794	19,268,929	14,760,080	141,081,104
Excess (deficiency) of receipts over disbursements	(5,892,010)	603,424	5,582,985	(188,162)	326,881	(800,347)	(367,229)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	1,980,448	1,980,448
Sale of capital assets	-	14,122	-	-	131,713	340,962	486,797
Transfers in	619,321	-	-	9,670	9,396	336,776	975,163
Transfers out	-	-	-	(250,884)	-	(669,138)	(920,022)
Total other financing sources (uses)	619,321	14,122	-	(241,214)	141,109	1,989,048	2,522,386
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,272,689)	617,546	5,582,985	(429,376)	467,990	1,188,701	2,155,157
Cash and investments - beginning	6,176,680	2,979,921	-	623,069	11,191,002	4,311,992	25,282,664
Cash and investments - ending	\$ 903,991	\$ 3,597,467	\$ 5,582,985	\$ 193,693	\$ 11,658,992	\$ 5,500,693	\$ 27,437,821
Cash and Investment Assets - Ending							
Cash and investments	\$ 903,991	\$ 3,597,467	\$ 5,582,985	\$ -	\$ 11,658,992	\$ 5,500,693	\$ 27,244,128
Restricted assets:							
Cash and investments	-	-	-	193,693	-	-	193,693
Total cash and investment assets - ending	\$ 903,991	\$ 3,597,467	\$ 5,582,985	\$ 193,693	\$ 11,658,992	\$ 5,500,693	\$ 27,437,821
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 193,693	\$ -	\$ -	\$ 193,693
Unrestricted	903,991	3,597,467	5,582,985	-	11,658,992	5,500,693	27,244,128
Total cash and investment fund balance - ending	\$ 903,991	\$ 3,597,467	\$ 5,582,985	\$ 193,693	\$ 11,658,992	\$ 5,500,693	\$ 27,437,821

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

TIPPECANOE 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, 2010

	General	School Lunch	Fiscal Stabilization	Debt Service	Capital Projects	Construction 2009	Other	Totals
Receipts:								
Local sources	\$ 2,231,536	\$ 2,275,132	\$ -	\$ 25,095,098	\$ 17,925,156	\$ 19,290	\$ 12,229,313	\$ 59,775,525
Intermediate sources	97,017	-	-	-	-	-	2,400	99,417
State sources	65,337,532	56,220	-	-	-	-	1,419,341	66,813,093
Federal sources	-	2,005,034	2,437,504	-	-	-	2,917,191	7,359,729
Interfund loans	2,000,000	-	-	-	7,750,000	-	2,800,000	12,550,000
Other	3,373	-	-	-	8,353	-	20,258	31,984
Total receipts	69,669,458	4,336,386	2,437,504	25,095,098	25,683,509	19,290	19,388,503	146,629,748
Disbursements:								
Current:								
Instruction	45,396,232	-	4,891,655	-	-	-	2,649,700	52,937,587
Support services	17,554,092	10,853	1,849,589	-	4,872,948	5,544	10,089,563	34,382,589
Noninstructional services	793,957	4,005,988	137,836	-	-	-	138,730	5,076,511
Facilities acquisition and construction	-	-	-	-	8,718,401	5,250,525	1,810,568	15,779,494
Debt services	-	-	-	16,245,179	-	-	-	16,245,179
Nonprogrammed charges	3,690,538	-	1,141,408	-	-	-	231,657	5,063,603
Interfund loans	3,500,000	-	-	1,250,000	4,800,000	-	3,000,000	12,550,000
Total disbursements	70,934,819	4,016,841	8,020,488	17,495,179	18,391,349	5,256,069	17,920,218	142,034,963
Excess (deficiency) of receipts over disbursements	(1,265,361)	319,545	(5,582,984)	7,599,919	7,292,160	(5,236,779)	1,468,285	4,594,785
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	13,200,000	500,000	13,700,000
Sale of capital assets	-	132,381	-	-	-	-	456,403	588,784
Transfers in	537,001	-	-	114,516	141,539	-	1,354,465	2,147,521
Transfers out	(4,414)	-	-	(650,000)	-	-	(1,674,532)	(2,328,946)
Total other financing sources (uses)	532,587	132,381	-	(535,484)	141,539	13,200,000	636,336	14,107,359
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(732,774)	451,926	(5,582,984)	7,064,435	7,433,699	7,963,221	2,104,621	18,702,144
Cash and investments - beginning	903,991	3,597,467	5,582,985	193,693	11,658,992	-	5,500,693	27,437,821
Cash and investments - ending	\$ 171,217	\$ 4,049,393	\$ 1	\$ 7,258,128	\$ 19,092,691	\$ 7,963,221	\$ 7,605,314	46,139,965
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								250,000
Net assets of governmental activities								\$ 46,389,965
Cash and Investment Assets - Ending								
Cash and investments	\$ 171,217	\$ 4,049,393	\$ 1	\$ -	\$ 19,092,691	\$ 7,963,221	\$ 7,605,314	\$ 38,881,837
Restricted assets:								
Cash and investments	-	-	-	7,258,128	-	-	-	7,258,128
Total cash and investment assets - ending	\$ 171,217	\$ 4,049,393	\$ 1	\$ 7,258,128	\$ 19,092,691	\$ 7,963,221	\$ 7,605,314	\$ 46,139,965
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 7,258,128	\$ -	\$ -	\$ -	\$ 7,258,128
Unrestricted	171,217	4,049,393	1	-	19,092,691	7,963,221	7,605,314	38,881,837
Total cash and investment fund balance - ending	\$ 171,217	\$ 4,049,393	\$ 1	\$ 7,258,128	\$ 19,092,691	\$ 7,963,221	\$ 7,605,314	\$ 46,139,965

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

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2010

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 250,000
Total operating receipts	250,000
Operating disbursements:	
Total operating disbursements	-
Change in net assets	250,000
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	\$ 250,000
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 250,000
Total cash and investment assets - ending	\$ 250,000
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 250,000
Total cash and investment fund balance - ending	\$ 250,000

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

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>600</u>
Total contributions	<u>600</u>
Investment earnings:	
Interest	<u>113</u>
Net investment earnings	<u>113</u>
Total additions	<u>713</u>
Deductions:	
Administrative and general	<u>500</u>
Total deductions	<u>500</u>
Excess (deficiency) of total additions over total deductions	213
Cash and investment fund balance - beginning	<u>3,342</u>
Cash and investment fund balance - ending	<u>\$ 3,555</u>
Net assets:	
Cash and investments	<u>\$ 3,555</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,555</u>

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

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	<u>Private-Purpose Trust Funds</u>
Additions	
Total contributions	<u>\$ -</u>
Investment earnings:	
Interest	<u>76</u>
Net investment earnings	<u>76</u>
Total additions	<u>76</u>
Deductions:	
Administrative and general	<u>500</u>
Total deductions	<u>500</u>
Excess (deficiency) of total additions over total deductions	(424)
Cash and investment fund balance - beginning	<u>3,554</u>
Cash and investment fund balance - ending	<u><u>\$ 3,130</u></u>
Net assets:	
Cash and investments	<u>\$ 3,130</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 3,130</u></u>

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Tippecanoe School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant in the Area Vocation Education District 19 which consists of eight school corporations and operates the Wildcat Creek Career Cooperative, a joint venture created to provide vocational instruction for handicapped students. The Wildcat Creek Career Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Wildcat Creek Career Cooperative can be obtained from Tippecanoe School Corporation, 21 Elston Road, Lafayette, IN 47905.

The School Corporation is a participant in a joint venture to operate Greater Lafayette Area Special Services (GLASS) which was created to provide instruction for handicapped students. The School Corporation is obligated by contract to remit 45% of the net costs of the GLASS. Complete financial statements for the GLASS program can be obtained from Lafayette School Corporation, Hiatt Center, 2300 Cason Street, Lafayette, IN 47904.

Related Organizations

The School Corporation's officials are also responsible for appointing the voting majority of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the voting majority of the West Lafayette Library and the Indiana Cooperative Library Services Authority.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 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. However, at this time, the School Corporation has not established any enterprise funds.

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 school lunch fund accounts for the financial resources for providing breakfast and lunch to schoolchildren.

The fiscal stabilization (stimulus) fund accounts for receipts and disbursements of funds passed through the State of Indiana from the federal government to be used to supplement funding of local, state and federal programs.

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 construction fund 2009 is used to account for receipts and disbursements concerning the construction of new school buildings.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for health insurance provided to other departments on a cost-reimbursement basis.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the annual disbursement of scholarship funds to eligible students.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

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.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in 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. 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 may 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.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$48,378,480.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2010, the School Corporation had no investments.

Statutory Authorization for Investments

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ -	\$ 4,414
Debt Service Fund	Other Governmental Funds	250,884	650,000
Other Governmental Funds	General Fund	564,180	537,001
	Debt Service Fund	9,670	114,516
	Capital Projects Fund	9,396	141,539
	Other Governmental Funds	85,892	700,051
Totals		<u>\$ 920,022</u>	<u>\$ 2,147,521</u>

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with Medical benefits to employees. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the fund. Currently charges are paid from the relevant funds and the internal service fund is maintained at a minimal level.

B. Holding Corporations

The School Corporation has entered into a capital lease with Tippecanoe School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$3,752,000 and \$3,752,000, respectively.

The School Corporation has entered into a capital lease with Tippecanoe County NMSE School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$6,154,500 and \$6,191,500, respectively.

The School Corporation has entered into a capital lease with Wea Ridge Middle School Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$3,705,500 and \$3,716,000, respectively.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation has entered into a capital lease with Tippecanoe County NSE08 School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year 2010 totaled \$1,473,547.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit 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 the 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 member's 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. The 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$442,264.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 member's 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

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.

The School Corporation's contributions to the plan during the periods ended June 30, 2010, 2009, and 2008, were \$1,778,162, \$1,465,143, and \$1,574,745, respectively.

TIPPECANOE 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)
07-01-07	\$ 5,005,986	\$ 5,024,888	\$ (18,902)	100%	\$ 5,197,538	(0%)
07-01-08	5,723,035	6,100,151	(377,116)	94%	5,788,464	(7%)
07-01-09	6,029,660	6,771,218	(741,558)	89%	7,073,352	(10%)

TIPPECANOE 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, 2009

	Transportation Operating	Preschool Special	Rainy Day	Post Retirement	Textbook Rental	Levy Excess
Receipts:						
Local sources	\$ 4,923,462	\$ 100,157	\$ -	\$ -	\$ 1,107,032	\$ 282,605
Intermediate sources	-	-	-	-	-	-
State sources	20,471	387,212	-	-	350,055	-
Federal sources	-	-	-	-	-	-
Interfund loans	1,000,000	-	-	-	-	-
Other	1,876	-	-	-	-	-
Total receipts	5,945,809	487,369	-	-	1,457,087	282,605
Disbursements:						
Current:						
Instruction	-	-	569,761	-	-	-
Support services	5,412,909	-	-	-	1,714,299	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Nonprogrammed charges	-	492,375	-	-	-	-
Interfund loans	500,000	-	-	-	-	-
Total disbursements	5,912,909	492,375	569,761	-	1,714,299	-
Excess (deficiency) of receipts over disbursements	32,900	(5,006)	(569,761)	-	(257,212)	282,605
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	339,162	-	-	-
Transfers in	9,586	73	266,520	-	-	-
Transfers out	-	-	-	-	-	(44,233)
Total other financing sources (uses)	9,586	73	605,682	-	-	(44,233)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	42,486	(4,933)	35,921	-	(257,212)	238,372
Cash and investments - beginning	285,237	4,933	739,521	109,275	1,058,952	684,782
Cash and investments - ending	\$ 327,723	\$ -	\$ 775,442	\$ 109,275	\$ 801,740	\$ 923,154
Cash and Investment Assets - Ending						
Cash and investments	\$ 327,723	\$ -	\$ 775,442	\$ 109,275	\$ 801,740	\$ 923,154
Total cash and investment assets - ending	\$ 327,723	\$ -	\$ 775,442	\$ 109,275	\$ 801,740	\$ 923,154
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 327,723	\$ -	\$ 775,442	\$ 109,275	\$ 801,740	\$ 923,154
Total cash and investment fund balance - ending	\$ 327,723	\$ -	\$ 775,442	\$ 109,275	\$ 801,740	\$ 923,154

TIPPECANOE 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, 2009
 (Continued)

	WCAVC	Perkins Grant	Moving Forward	Project Lead The Way - MHS	Project Lead The Way - HHS	Project Lead The Way - FCS
Receipts:						
Local sources	\$ 383,571	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	389,355	-	9,860	20,000	25,000
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	383,571	389,355	-	9,860	20,000	25,000
Disbursements:						
Current:						
Instruction	379,439	380,396	4,102	7,961	12,324	25,000
Support services	15,097	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	394,536	380,396	4,102	7,961	12,324	25,000
Excess (deficiency) of receipts over disbursements	(10,965)	8,959	(4,102)	1,899	7,676	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	5,313	-	-	-	-	-
Transfers out	-	(5,313)	-	-	-	-
Total other financing sources (uses)	5,313	(5,313)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,652)	3,646	(4,102)	1,899	7,676	-
Cash and investments - beginning	99,390	20,984	4,102	1,337	-	-
Cash and investments - ending	<u>\$ 93,738</u>	<u>\$ 24,630</u>	<u>\$ -</u>	<u>\$ 3,236</u>	<u>\$ 7,676</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 93,738	\$ 24,630	\$ -	\$ 3,236	\$ 7,676	\$ -
Total cash and investment assets - ending	<u>\$ 93,738</u>	<u>\$ 24,630</u>	<u>\$ -</u>	<u>\$ 3,236</u>	<u>\$ 7,676</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 93,738	\$ 24,630	\$ -	\$ 3,236	\$ 7,676	\$ -
Total cash and investment fund balance - ending	<u>\$ 93,738</u>	<u>\$ 24,630</u>	<u>\$ -</u>	<u>\$ 3,236</u>	<u>\$ 7,676</u>	<u>\$ -</u>

TIPPECANOE 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, 2009
 (Continued)

	Education License	Alternative Education	Safe Haven Grant	Early Intervention	Donations and Gifts	Benjamin Crossing
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	5,513	-	-	-	-	-
State sources	-	45,888	82,806	1,500	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	5,513	45,888	82,806	1,500	-	-
Disbursements:						
Current:						
Instruction	-	360	-	-	-	-
Support services	660	-	396	1,500	-	4,456
Noninstructional services	-	-	-	-	1,500	-
Facilities acquisition and construction	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	660	360	396	1,500	1,500	4,456
Excess (deficiency) of receipts over disbursements	4,853	45,528	82,410	-	(1,500)	(4,456)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	1,500	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(45,528)	(76,805)	-	-	-
Total other financing sources (uses)	-	(45,528)	(76,805)	-	1,500	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,853	-	5,605	-	-	(4,456)
Cash and investments - beginning	205	-	-	-	3,622	4,456
Cash and investments - ending	<u>\$ 5,058</u>	<u>\$ -</u>	<u>\$ 5,605</u>	<u>\$ -</u>	<u>\$ 3,622</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,058	\$ -	\$ 5,605	\$ -	\$ 3,622	\$ -
Total cash and investment assets - ending	<u>\$ 5,058</u>	<u>\$ -</u>	<u>\$ 5,605</u>	<u>\$ -</u>	<u>\$ 3,622</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 5,058	\$ -	\$ 5,605	\$ -	\$ 3,622	\$ -
Total cash and investment fund balance - ending	<u>\$ 5,058</u>	<u>\$ -</u>	<u>\$ 5,605</u>	<u>\$ -</u>	<u>\$ 3,622</u>	<u>\$ -</u>

TIPPECANOE 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, 2009
 (Continued)

	Enrichment Staff	Map It for Students	Summer Camps	Recreation Swim	TSC Awards Dinner	Wood Scholars
Receipts:						
Local sources	\$ 4,495	\$ -	\$ 24,282	\$ 11,955	\$ -	\$ 490
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	1,323	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	4,495	-	24,282	11,955	1,323	490
Disbursements:						
Current:						
Instruction	4,183	1,816	-	-	-	-
Support services	-	-	-	-	1,323	542
Noninstructional services	-	-	28,992	11,667	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	4,183	1,816	28,992	11,667	1,323	542
Excess (deficiency) of receipts over disbursements	312	(1,816)	(4,710)	288	-	(52)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	312	(1,816)	(4,710)	288	-	(52)
Cash and investments - beginning	857	9,930	6,410	-	-	23,775
Cash and investments - ending	<u>\$ 1,169</u>	<u>\$ 8,114</u>	<u>\$ 1,700</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 23,723</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,169	\$ 8,114	\$ 1,700	\$ 288	\$ -	\$ 23,723
Total cash and investment assets - ending	<u>\$ 1,169</u>	<u>\$ 8,114</u>	<u>\$ 1,700</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 23,723</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 1,169	\$ 8,114	\$ 1,700	\$ 288	\$ -	\$ 23,723
Total cash and investment fund balance - ending	<u>\$ 1,169</u>	<u>\$ 8,114</u>	<u>\$ 1,700</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 23,723</u>

TIPPECANOE 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, 2009
 (Continued)

	Retired Employees	EPICS	Gifted and Talented Grant	Non-English Speaking	School Technology	Unidentified Funds
Receipts:						
Local sources	\$ 280,646	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	75,558	99,837	54,971	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	280,646	10,000	75,558	99,837	54,971	-
Disbursements:						
Current:						
Instruction	-	10,000	63,605	3,629	-	600
Support services	280,646	-	11,086	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	280,646	10,000	74,691	3,629	-	600
Excess (deficiency) of receipts over disbursements	-	-	867	96,208	54,971	(600)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	300
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(97,530)	-	-
Total other financing sources (uses)	-	-	-	(97,530)	-	300
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	867	(1,322)	54,971	(300)
Cash and investments - beginning	-	-	26,418	1,322	-	300
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,285</u>	<u>\$ -</u>	<u>\$ 54,971</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 27,285	\$ -	\$ 54,971	\$ -
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,285</u>	<u>\$ -</u>	<u>\$ 54,971</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ 27,285	\$ -	\$ 54,971	\$ -
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,285</u>	<u>\$ -</u>	<u>\$ 54,971</u>	<u>\$ -</u>

TIPPECANOE 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, 2009
 (Continued)

	Title I	Title I School Improvement	Title V	Drug Free Schools	Title II
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	1,249,846	-	6,764	28,615	277,100
Interfund loans	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	<u>1,249,846</u>	<u>-</u>	<u>6,764</u>	<u>28,615</u>	<u>277,100</u>
Disbursements:					
Current:					
Instruction	768,514	4,103	1,201	-	43,054
Support services	316,007	-	-	30,817	14,980
Noninstructional services	45,500	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Interfund loans	-	-	-	-	-
Total disbursements	<u>1,130,021</u>	<u>4,103</u>	<u>1,201</u>	<u>30,817</u>	<u>58,034</u>
Excess (deficiency) of receipts over disbursements	<u>119,825</u>	<u>(4,103)</u>	<u>5,563</u>	<u>(2,202)</u>	<u>219,066</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	54,600	-	-	-	-
Transfers out	(60,893)	-	-	-	(241,737)
Total other financing sources (uses)	<u>(6,293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(241,737)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>113,532</u>	<u>(4,103)</u>	<u>5,563</u>	<u>(2,202)</u>	<u>(22,671)</u>
Cash and investments - beginning	<u>142,998</u>	<u>4,103</u>	<u>2,815</u>	<u>9,653</u>	<u>58,034</u>
Cash and investments - ending	<u>\$ 256,530</u>	<u>\$ -</u>	<u>\$ 8,378</u>	<u>\$ 7,451</u>	<u>\$ 35,363</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 256,530</u>	<u>\$ -</u>	<u>\$ 8,378</u>	<u>\$ 7,451</u>	<u>\$ 35,363</u>
Total cash and investment assets - ending	<u>\$ 256,530</u>	<u>\$ -</u>	<u>\$ 8,378</u>	<u>\$ 7,451</u>	<u>\$ 35,363</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 256,530</u>	<u>\$ -</u>	<u>\$ 8,378</u>	<u>\$ 7,451</u>	<u>\$ 35,363</u>
Total cash and investment fund balance - ending	<u>\$ 256,530</u>	<u>\$ -</u>	<u>\$ 8,378</u>	<u>\$ 7,451</u>	<u>\$ 35,363</u>

TIPPECANOE 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, 2009
 (Continued)

	Title III	Transportation - Bus Replacement	Construction 2006	Construction 2008	Totals
Receipts:					
Local sources	\$ -	\$ 1,605,297	\$ 2,491	\$ -	\$ 8,736,483
Intermediate sources	-	-	-	-	5,513
State sources	-	-	-	-	1,119,621
Federal sources	89,700	-	-	-	2,096,240
Interfund loans	-	1,000,000	-	-	2,000,000
Other	-	-	-	-	1,876
Total receipts	89,700	2,605,297	2,491	-	13,959,733
Disbursements:					
Current:					
Instruction	-	-	-	-	2,280,048
Support services	9,124	1,306,346	-	-	9,120,188
Noninstructional services	-	-	-	-	87,659
Facilities acquisition and construction	-	-	942,705	137,105	1,079,810
Nonprogrammed charges	-	-	-	-	492,375
Interfund loans	-	1,200,000	-	-	1,700,000
Total disbursements	9,124	2,506,346	942,705	137,105	14,760,080
Excess (deficiency) of receipts over disbursements	80,576	98,951	(940,214)	(137,105)	(800,347)
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	1,980,448	1,980,448
Sale of capital assets	-	-	-	-	340,962
Transfers in	-	684	-	-	336,776
Transfers out	(81,463)	(15,636)	-	-	(669,138)
Total other financing sources (uses)	(81,463)	(14,952)	-	1,980,448	1,989,048
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(887)	83,999	(940,214)	1,843,343	1,188,701
Cash and investments - beginning	3,555	64,812	940,214	-	4,311,992
Cash and investments - ending	<u>\$ 2,668</u>	<u>\$ 148,811</u>	<u>\$ -</u>	<u>\$ 1,843,343</u>	<u>\$ 5,500,693</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 2,668	\$ 148,811	\$ -	\$ 1,843,343	\$ 5,500,693
Total cash and investment assets - ending	<u>\$ 2,668</u>	<u>\$ 148,811</u>	<u>\$ -</u>	<u>\$ 1,843,343</u>	<u>\$ 5,500,693</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	\$ 2,668	\$ 148,811	\$ -	\$ 1,843,343	\$ 5,500,693
Total cash and investment fund balance - ending	<u>\$ 2,668</u>	<u>\$ 148,811</u>	<u>\$ -</u>	<u>\$ 1,843,343</u>	<u>\$ 5,500,693</u>

TIPPECANOE 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, 2010

	Transportation Operating	Preschool Special	Rainy Day	Post Retirement	Textbook Rental	Levy Excess	WCAVC
Receipts:							
Local sources	\$ 7,946,401	\$ -	\$ -	\$ -	\$ 1,064,267	\$ -	\$ 369,180
Intermediate sources	-	-	-	-	-	-	-
State sources	899	222,750	-	-	402,271	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	1,500,000	-	-	-	-	-	-
Other	20,258	-	-	-	-	-	-
Total receipts	9,467,558	222,750	-	-	1,466,538	-	369,180
Disbursements:							
Current:							
Instruction	-	-	504,095	-	-	-	343,902
Support services	5,423,918	-	-	-	1,962,898	-	15,621
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	223,820	-	-	-	1	-
Interfund loans	2,000,000	-	-	-	-	-	-
Total disbursements	7,423,918	223,820	504,095	-	1,962,898	1	359,523
Excess (deficiency) of receipts over disbursements	2,043,640	(1,070)	(504,095)	-	(496,360)	(1)	9,657
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	52	-	425,211	-	-	-	-
Transfers in	50,971	1,070	1,169,742	-	-	-	-
Transfers out	-	-	-	-	-	(667,128)	-
Total other financing sources (uses)	51,023	1,070	1,594,953	-	-	(667,128)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,094,663	-	1,090,858	-	(496,360)	(667,129)	9,657
Cash and investments - beginning	327,723	-	775,442	109,275	801,740	923,154	93,738
Cash and investments - ending	\$ 2,422,386	\$ -	\$ 1,866,300	\$ 109,275	\$ 305,380	\$ 256,025	\$ 103,395
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,422,386	\$ -	\$ 1,866,300	\$ 109,275	\$ 305,380	\$ 256,025	\$ 103,395
Total cash and investment assets - ending	\$ 2,422,386	\$ -	\$ 1,866,300	\$ 109,275	\$ 305,380	\$ 256,025	\$ 103,395
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 2,422,386	\$ -	\$ 1,866,300	\$ 109,275	\$ 305,380	\$ 256,025	\$ 103,395
Total cash and investment fund balance - ending	\$ 2,422,386	\$ -	\$ 1,866,300	\$ 109,275	\$ 305,380	\$ 256,025	\$ 103,395

TIPPECANOE 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, 2010
 (Continued)

	Perkins Grant	Project Lead The Way - MHS	Project Lead The Way - HHS	Education License	Alternative Education	Safe Haven Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	2,400	-	-
State sources	-	-	-	-	41,945	-
Federal sources	362,102	20,140	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	362,102	20,140	-	2,400	41,945	-
Disbursements:						
Current:						
Instruction	371,822	23,376	-	-	145	-
Support services	-	-	-	2,131	-	5,605
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,985	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	371,822	23,376	-	5,116	145	5,605
Excess (deficiency) of receipts over disbursements	(9,720)	(3,236)	-	(2,716)	41,800	(5,605)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,720)	(3,236)	-	(2,716)	41,800	(5,605)
Cash and investments - beginning	24,630	3,236	7,676	5,058	-	5,605
Cash and investments - ending	<u>\$ 14,910</u>	<u>\$ -</u>	<u>\$ 7,676</u>	<u>\$ 2,342</u>	<u>\$ 41,800</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 14,910	\$ -	\$ 7,676	\$ 2,342	\$ 41,800	\$ -
Total cash and investment assets - ending	<u>\$ 14,910</u>	<u>\$ -</u>	<u>\$ 7,676</u>	<u>\$ 2,342</u>	<u>\$ 41,800</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 14,910	\$ -	\$ 7,676	\$ 2,342	\$ 41,800	\$ -
Total cash and investment fund balance - ending	<u>\$ 14,910</u>	<u>\$ -</u>	<u>\$ 7,676</u>	<u>\$ 2,342</u>	<u>\$ 41,800</u>	<u>\$ -</u>

TIPPECANOE 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, 2010
 (Continued)

	Early Intervention	Donations and Gifts	Enrichment Staff	Map It for Students	Summer Camps	Recreation Swim
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 24,694	\$ 3,996
Intermediate sources	-	-	-	-	-	-
State sources	45,330	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	45,330	-	-	-	24,694	3,996
Disbursements:						
Current:						
Instruction	24,046	-	813	1,317	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	23,525	4,284
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	24,046	-	813	1,317	23,525	4,284
Excess (deficiency) of receipts over disbursements	21,284	-	(813)	(1,317)	1,169	(288)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	23,940	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(12,174)	-	-	-	-	-
Total other financing sources (uses)	(12,174)	23,940	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,110	23,940	(813)	(1,317)	1,169	(288)
Cash and investments - beginning	-	3,622	1,169	8,114	1,700	288
Cash and investments - ending	<u>\$ 9,110</u>	<u>\$ 27,562</u>	<u>\$ 356</u>	<u>\$ 6,797</u>	<u>\$ 2,869</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,110	\$ 27,562	\$ 356	\$ 6,797	\$ 2,869	\$ -
Total cash and investment assets - ending	<u>\$ 9,110</u>	<u>\$ 27,562</u>	<u>\$ 356</u>	<u>\$ 6,797</u>	<u>\$ 2,869</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 9,110	\$ 27,562	\$ 356	\$ 6,797	\$ 2,869	\$ -
Total cash and investment fund balance - ending	<u>\$ 9,110</u>	<u>\$ 27,562</u>	<u>\$ 356</u>	<u>\$ 6,797</u>	<u>\$ 2,869</u>	<u>\$ -</u>

TIPPECANOE 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, 2010
 (Continued)

	Wood Scholars	Retired Employees	EPICS	Gifted and Talented Grant	Common School Fund	Non-English Speaking
Receipts:						
Local sources	\$ 6,006	\$ 271,338	\$ 1,800	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	75,723	476,596	103,931
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>6,006</u>	<u>271,338</u>	<u>1,800</u>	<u>75,723</u>	<u>476,596</u>	<u>103,931</u>
Disbursements:						
Current:						
Instruction	-	-	-	64,069	-	1,049
Support services	2,300	271,338	-	8,818	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	476,596	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>2,300</u>	<u>271,338</u>	<u>-</u>	<u>72,887</u>	<u>476,596</u>	<u>1,049</u>
Excess (deficiency) of receipts over disbursements	<u>3,706</u>	<u>-</u>	<u>1,800</u>	<u>2,836</u>	<u>-</u>	<u>102,882</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	4,414	-	-
Transfers out	-	-	-	(21,969)	-	(82,983)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,555)</u>	<u>-</u>	<u>(82,983)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,706</u>	<u>-</u>	<u>1,800</u>	<u>(14,719)</u>	<u>-</u>	<u>19,899</u>
Cash and investments - beginning	<u>23,723</u>	<u>-</u>	<u>-</u>	<u>27,285</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 27,429</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 12,566</u>	<u>\$ -</u>	<u>\$ 19,899</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 27,429	\$ -	\$ 1,800	\$ 12,566	\$ -	\$ 19,899
Total cash and investment assets - ending	<u>\$ 27,429</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 12,566</u>	<u>\$ -</u>	<u>\$ 19,899</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 27,429	\$ -	\$ 1,800	\$ 12,566	\$ -	\$ 19,899
Total cash and investment fund balance - ending	<u>\$ 27,429</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 12,566</u>	<u>\$ -</u>	<u>\$ 19,899</u>

TIPPECANOE 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, 2010
 (Continued)

	School Technology	Unidentified Funds	Title I	Title V	Drug Free Schools	Title II
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	49,896	-	-	-	-	-
Federal sources	-	-	1,511,132	-	35,434	307,563
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	49,896	-	1,511,132	-	35,434	307,563
Disbursements:						
Current:						
Instruction	-	7,200	1,020,618	-	-	196,334
Support services	-	-	378,561	-	30,321	17,365
Noninstructional services	-	-	37,511	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	4,851	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	7,200	1,441,541	-	30,321	213,699
Excess (deficiency) of receipts over disbursements	49,896	(7,200)	69,591	-	5,113	93,864
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	7,200	-	-	-	-
Transfers in	-	-	114,489	-	-	-
Transfers out	-	-	(134,489)	(8,378)	(12,564)	(129,227)
Total other financing sources (uses)	-	7,200	(20,000)	(8,378)	(12,564)	(129,227)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	49,896	-	49,591	(8,378)	(7,451)	(35,363)
Cash and investments - beginning	54,971	-	256,530	8,378	7,451	35,363
Cash and investments - ending	<u>\$ 104,867</u>	<u>\$ -</u>	<u>\$ 306,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 104,867	\$ -	\$ 306,121	\$ -	\$ -	\$ -
Total cash and investment assets - ending	<u>\$ 104,867</u>	<u>\$ -</u>	<u>\$ 306,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 104,867	\$ -	\$ 306,121	\$ -	\$ -	\$ -
Total cash and investment fund balance - ending	<u>\$ 104,867</u>	<u>\$ -</u>	<u>\$ 306,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TIPPECANOE 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, 2010
 (Continued)

	Title III	Title I Grant/LE	Transportation - Bus Replacement	Construction 2008	Construction 2010	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 2,539,804	\$ 1,755	\$ 72	\$ 12,229,313
Intermediate sources	-	-	-	-	-	2,400
State sources	-	-	-	-	-	1,419,341
Federal sources	86,580	594,240	-	-	-	2,917,191
Interfund loans	-	-	1,300,000	-	-	2,800,000
Other	-	-	-	-	-	20,258
Total receipts	86,580	594,240	3,839,804	1,755	72	19,388,503
Disbursements:						
Current:						
Instruction	-	90,914	-	-	-	2,649,700
Support services	3,066	385,073	1,581,523	1,025	-	10,089,563
Noninstructional services	-	73,410	-	-	-	138,730
Facilities acquisition and construction	-	-	-	1,333,972	-	1,810,568
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	231,657
Interfund loans	-	-	1,000,000	-	-	3,000,000
Total disbursements	3,066	549,397	2,581,523	1,334,997	-	17,920,218
Excess (deficiency) of receipts over disbursements	83,514	44,843	1,258,281	(1,333,242)	72	1,468,285
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	500,000	500,000
Sale of capital assets	-	-	-	-	-	456,403
Transfers in	-	-	13,779	-	-	1,354,465
Transfers out	(85,878)	-	(519,742)	-	-	(1,674,532)
Total other financing sources (uses)	(85,878)	-	(505,963)	-	500,000	636,336
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,364)	44,843	752,318	(1,333,242)	500,072	2,104,621
Cash and investments - beginning	2,668	-	148,811	1,843,343	-	5,500,693
Cash and investments - ending	\$ 304	\$ 44,843	\$ 901,129	\$ 510,101	\$ 500,072	\$ 7,605,314
Cash and Investment Assets - Ending						
Cash and investments	\$ 304	\$ 44,843	\$ 901,129	\$ 510,101	\$ 500,072	\$ 7,605,314
Total cash and investment assets - ending	\$ 304	\$ 44,843	\$ 901,129	\$ 510,101	\$ 500,072	\$ 7,605,314
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 304	\$ 44,843	\$ 901,129	\$ 510,101	\$ 500,072	\$ 7,605,314
Total cash and investment fund balance - ending	\$ 304	\$ 44,843	\$ 901,129	\$ 510,101	\$ 500,072	\$ 7,605,314

TIPPECANOE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

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:		
Wea Ridge	\$ 14,970,000	\$ 3,725,000
Harrison	16,060,000	3,752,000
Woodland/BGE	45,755,000	6,238,000
Harrison/McCutcheon Advanced Studies	23,895,000	2,240,000
Notes and loans payable		
Common School Loan #A1349	218,588	48,575
Common School Loan #A1403	233,720	46,744
Total governmental activities debt	<u>\$ 101,132,308</u>	<u>\$ 16,050,319</u>

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The subsidiary accounts did not reconcile to the financial statement balance for the School Lunch Fund and the Textbook Rental Fund. The financial statements were not materially misstated.

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)

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)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

The School Corporation has not identified risks to the preparation of reliable financial statements related to the financial position and transactions of the School Lunch and Textbook Rental Funds and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

The School Corporation has not identified controls to insure the simultaneous receipt and disbursement of transfers between funds and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

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.

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TIPPECANOE SCHOOL CORPORATION,
TIPPECANOE COUNTY, INDIANA

Compliance

We have audited the compliance of the Tippecanoe School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-2 and 2010-3.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be significant deficiencies or material weaknesses, as defined above.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 14, 2011

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 280,075	\$ 300,987
National School Lunch Program	10.555		1,604,759	1,939,593
Special Milk Program for Children	10.556		<u>3,425</u>	<u>-</u>
Total for federal grantor agency			<u>1,888,259</u>	<u>2,240,580</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through Purdue University				
H-1B Job Training Grants	17.268	WIRED-5-59	<u>1,590</u>	<u>-</u>
Total for federal grantor agency			<u>1,590</u>	<u>-</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	08-7865	137,492	-
		09-7865	958,916	242,040
		10-7865	<u>-</u>	<u>1,219,501</u>
Total for program			<u>1,096,408</u>	<u>1,461,541</u>
ARRA - Title I Grants to Local Educational Agencies	84.389	7865	<u>-</u>	<u>549,397</u>
Total for cluster			<u>1,096,408</u>	<u>2,010,938</u>
Pass-Through Indiana Department of Education				
School Improvement Grants Cluster				
Title I School Improvement Grants	84.377		<u>4,103</u>	<u>-</u>
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States (Perkins IV)				
Area Career and Technical Education District	84.048			
Comprehensive Local Plan (Basic Grant)		08-4700-7865	104,642	-
		09-4700-7865	281,067	114,129
		10-4700-7865	<u>-</u>	<u>257,693</u>
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States (Perkins IV)				
Moving Forward	84.048	CPS-6-40	4,102	-
		CPS-7a-40	<u>25,000</u>	<u>-</u>
Total for program			<u>414,811</u>	<u>371,822</u>

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

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants Title IV Part A	84.186			
		SY 2008-2009	28,563	-
		SY 2009-2010	-	42,884
Total for program			<u>28,563</u>	<u>42,884</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education Project Lead the Way	84.243			
		C1-9-PLTW-7-40	12,324	-
		C1-9-PLTW-8-40	7,961	8,376
		C1-9-PLTW-9-40	-	15,000
Total for program			<u>20,285</u>	<u>23,376</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs Title V Part A	84.298			
		SY 2007-2008	1,201	8,378
Total for program			<u>1,201</u>	<u>8,378</u>
Pass-Through Indiana Department of Education English Language Acquisition Grants Title III	84.365			
		SY 2008-2009	90,587	-
		SY 2009-2010	-	88,944
Total for program			<u>90,587</u>	<u>88,944</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants Title II Part A - No Child Left Behind	84.367			
		SY 2007-2008	27,400	-
		SY 2008-2009	241,737	92,454
		SY 2009-2010	-	250,472
Total for program			<u>269,137</u>	<u>342,926</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394			
			-	8,020,489
Total for federal agency			<u>1,925,095</u>	<u>10,909,757</u>
Total federal awards expended			<u>\$ 3,814,944</u>	<u>\$ 13,150,337</u>

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Tippecanoe School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2009 and 2010:

Program Title	Federal CFDA Number	2009	2010
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	\$ 367,524	\$ 325,312

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
National School Lunch Program	10.555	\$ 201,382	\$ 235,546

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.048	Child Nutrition Cluster Title I, Part A Cluster
84.367	Career and Technical Education – Basic Grants to States (Perkins IV) Improving Teacher Quality State Grants State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS OVER FINANCIAL
TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation has not identified risks to the preparation of reliable financial statements related to the financial position and transactions of the school lunch and textbook rental funds and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

The School Corporation has not identified controls to insure the simultaneous receipt and disbursement of transfers between funds and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

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.

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)

Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Corporation's audited financial statements and then determining how those identified risks should be managed.

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2, EXCESSIVE CASH BALANCES

Federal Agency: U.S. Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Number: 10.553, 10.555, 10.556
Federal Award Number: FY 2008-2009 and 2009-2010
Pass-Through Entity: Indiana Department of Education

7 CFR section 210.14(a) states in part: "School Food Authorities shall maintain a nonprofit school food service."

7 CFR section 210.14(b) states:

"Net Cash Resources. The School Food Authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with section 210.19(a)."

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR section 210.2 defines net cash resources as:

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

The School Corporation incurred an average of \$400,000 in expenses per month (or \$1,200,000 for 3 months average expenditures) based on a 10 month operating year and showed cash balances as follows:

<u>June 30, 2009</u>	<u>June 30, 2010</u>
<u>\$ 3,597,467</u>	<u>\$ 4,049,394</u>

The School Corporation has earned apparent profits exceeding three months of projected expenditures.

The School Corporation should determine if costs for their school food service are being applied correctly and if their meal pricing is appropriate based on the true costs for such service in order to maintain a nonprofit school food service.

FINDING 2010-3, CASH MANAGEMENT - TITLE I CLUSTER

Federal Agency: Department of Education
Federal Program: Title I Cluster
CFDA Number: 84.010, 84.389
Federal Award Number: 09-7865 and 10-7865
Pass-Through Entity: Indiana Department of Education

EDGAR 80.20 (b)(7) states:

"Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Title I program amounts are drawn down in advance. When the grant application is submitted, it includes a drawdown schedule setting forth amounts to be advanced on a monthly basis. The schedule is prepared by the School Corporation and is based on anticipated monthly expenditures. Timing of expenditures was significantly different than anticipated and resulted in excessive cash balances in both the

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Title I and the Title I ARRA Funds. Excessive cash balances were noted on the Monthly Monitoring Reports for August 2009, through March 2010, filed with the Indiana Department of Education for the Title I ARRA Funds. Excessive cash balances were noted on the Quarterly Monitoring Reports for the basic Title I projects for the following quarters: January-March 2009, April-June 2009, October-December 2009, January-March 2010, and April-June 2010.

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency or a reduction in the funding provided to the pass-through agency.

We recommended that the School Corporation establish the drawdown schedules to more accurately reflect anticipated expenditures. We further recommend that the pass-through entity review the monthly reports submitted by the subrecipients and decrease cash balances when requested or as otherwise necessary to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.



Tippecanoe School Corporation

21 Elston Road
Lafayette, Indiana 47909-2899

February 14, 2011

Mr. Paul Joyce
Deputy State Examiner
State Board of Accounts
302 W. Washington Street
Indianapolis, IN 46204-2765

Re: Summary Schedule of Prior Audit findings (7-1-06 to 6-30-08)

Gentlemen:

Listed below are my responses as to the status of the items listed on the TSC corrective plan for the audit period listed above.

2008-1 Incorrect Cutoff of Disbursements

Fully corrected.

2008-2 Inadequate Internal Controls over Receipts at the Extra-Curricular Level

Fully corrected.

2008-3 Incorrect Eligibility Status

Federal Agency: Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553, 10.555, 10.556
Federal Award Number: FY2006/2007 & FY 2007/2008
Pass-through Entity: Indiana Department of Education

Fully corrected.

2008-4 Excessive Meal Charges

Federal Agency: US Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Number: 10.555, 10.553, 10.556
Federal Award Number: FY 06/07 & 07/08
Pass-Through Entity: Indiana Department of Revenue

Fully corrected.

2008-5 Unallowable Costs and Activities – Perkins Grant

Federal Agency: US Department of Education
Federal Program: Career and Technical Education – Basic Grants to States (Perkins IV)
CFDA Number: 84.048
Federal Award Number: 06-4700-7865, 07-4700-7865, 08-4700-7865 & CPS-6-40
Pass-through Entities: Indiana Department of Education and Indiana Department of Workforce Development

Fully corrected.

2008-6 Noncompliance with Period of Availability

Federal Agency: US Department of Education
Federal Program: Career and Technical Education – Basic Grants to States (Perkins IV)
CFDA Number: 84.048
Federal Award Number: 06-4700-7865, 07-4700-7865, 08-4700-7865 & CPS-6-40
Pass-through Entities: Indiana Department of Education and Indiana Department of Workforce Development

Fully corrected.

2008-7 Noncompliance with Subrecipient Monitoring

Federal Agency: US Department of Education
Federal Program: Career and Technical Education-Basic Grants to States (Perkins IV)
CFDA Number: 84.048
Federal Award Number: 06-4700-7865, 07-4700-7865, 08-4700-7865 & CPS-6-40
Pass-through Entities: Indiana Department of Education and Indiana Department of Workforce Development

Fully corrected.

2008-8 Noncompliance with Cash Management

Federal Agency: US Department of Education
Federal Program: Improving Teacher Quality State Grants – Title II Part A
CFDA Number: 84.367
Federal Award Number: 07-7865, 08-7865
Pass-through Entities: Indiana Department of Education

As of 7-1-10 federal grants are reimbursable only.

Sincerely,



Kimberly J. Fox
Chief Financial Officer



Tippecanoe School Corporation

21 Elston Road
Lafayette, Indiana 47909-2899

February 14, 2011

Mr. Paul Joyce
Deputy State Examiner
State Board of Accounts
302 W. Washington Street
Indianapolis, IN 46204-2765

Re: Corrective Action Plan

Gentlemen:

Listed below are my responses to the Schedule of Findings and Questioned Costs under Section II & III – Financial Statement Findings.

2010-1 Internal Controls Over Financial Transactions and Reporting

Prior to the summer of 2008 each of the 18 buildings at the TSC had an extra-curricular account that deposited all lunch receipts and paid all cafeteria expenses with the exception of payroll. A Director of Food Service was hired in the fall of 2007 and she centralized the cafeteria department in 2008. All of the building cafeteria funds were closed and the funds were sent to the TSC extra-curricular account at the Administrative Service Center. In the summer of 2009 all TSC extra-curricular treasurers switched to a new accounting program. The TSC extra-curricular treasurer at the Administrative Service Center also changed banks during this time. The financial information from the TSC extra-curricular treasurer is integrated into the corporation financials for Form 9 reporting purposes. It is my understanding that there has been a balancing issue for many years with this process and the problem is not a new one. I spent time with our field examiner, the TSC extra-curricular treasurer and the Coordinator of Food Service and believe that we have corrected the problem with the period of 7-1-10 to 12-31-10. I will monitor this going forward to make sure that we are combining the correct numbers to generate the Form 9 report.

2010-2 Excessive Cash Balances

Federal Agency: U.S. Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553, 10.555, 10.556
Federal Award Number: FY2008/2009 & FY 2009/2010
Pass-through Entity: Indiana Department of Education

This comment refers to the growing cash balance in our extra-curricular Food Service Fund. Before our food service department was centralized all of the equipment purchases were paid from the Capital Projects Fund and the TSC was also covering equipment repairs. Expenses that should have been paid for from the Food Service Fund were covered by both the TSC General Fund and the Capital Projects Fund. That practice has changed and the Food Service Fund is paying expenses now that belong to that program. The TSC Director of Food Service has a plan to reduce the balance in the Food Service Fund.

2010-3 Excessive Cash Balances

Federal Agency: Department of Education

Federal Program: Title 1 Cluster

CFDA Number: 84.010/84.389

Pass-Through Entity: Indiana Department of Education

As of 7-1-2010 school corporations must expend the funds first and then request reimbursement from the Indiana Department of Education. As of July 2010 TSC will no longer be submitting a cash request form requesting funds to support the program so excessive cash balances is no longer an issue.

Sincerely,



Kimberly J. Fox
Chief Financial Officer/Treasurer
Tippecanoe School Corporation

TIPPECANOE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2011, with Kimberly J. Fox, Treasurer; Dr. Scott Hanback, Superintendent of Schools; and Dann Parker, President of the School Board.