

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TIPPECANOE SCHOOL CORPORATION
TIPPECANOE COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/22/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	9
Notes to Financial Statement.....	10-14
Supplementary Information - Unaudited: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	16-27
Schedule of Leases and Debt	29
Audit Results and Comments: Internal Controls over Financial Transactions and Reporting	30
Condition of Records – Prepaid Lunch.....	30
Collective Bargaining Agreement	30-31
Condition of Records – McCutcheon High School	32
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	34-35
Schedule of Expenditures of Federal Awards	38
Notes to Schedule of Expenditures of Federal Awards.....	39
Schedule of Findings and Questioned Costs	40-42
Auditee Prepared Schedules: Summary Schedule of Prior Audit Findings	43-44
Corrective Action Plan.....	45-46
Exit Conference.....	47

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly J. Fox	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Scott Hanback	07-01-10 to 06-30-13
President of the School Board	Dann Parker Kathy Dale Jim Slaven	07-01-10 to 06-30-11 07-01-11 to 12-31-12 01-01-13 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Tippecanoe School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated February 4, 2013, 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.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 4, 2013



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

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

We have audited the financial statement of the Tippecanoe School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 4, 2013. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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 opinion on the financial statement, 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 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, others within the entity, 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 4, 2013

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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TIPPECANOE SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 2012

	Cash and Investments			Other Financing	Cash and Investments			Other Financing	Cash and Investments
	07-01-10	Receipts	Disbursements	Sources (Uses)	06-30-11	Receipts	Disbursements	Sources (Uses)	06-30-12
General	\$ 171,216	\$ 68,452,958	\$ 65,829,532	\$ 362,602	\$ 3,157,244	\$ 69,597,730	\$ 68,774,891	\$ 74,011	\$ 4,054,094
Debt Service	7,258,128	20,346,736	17,703,022	(1,000,000)	8,901,842	19,695,481	18,748,310	-	9,849,013
Capital Projects	19,092,690	14,295,138	15,306,116	52,307	18,134,019	13,829,464	15,162,694	64	16,800,853
School Transportation	2,422,387	6,857,510	6,760,245	195,071	2,714,723	7,074,781	7,111,558	4,068	2,682,014
School Bus Replacement	901,128	3,462,351	3,003,268	(331,482)	1,028,729	1,660,478	2,168,834	(88,500)	431,873
Rainy Day	1,866,300	19,193	337,176	1,635,996	3,184,313	-	280	200,000	3,384,033
Post-Retirement/Severance Future Benefits	109,275	-	-	-	109,275	-	-	-	109,275
2008 Construction	510,101	257	307,977	-	202,381	52	202,433	-	-
2009 Construction	7,963,221	19,924	4,603,028	-	3,380,117	4,572	767,814	-	2,616,875
2010 Construction	500,072	634	-	-	500,706	800	3,773	-	497,733
QSCB Construction	-	602	38,255	1,980,000	1,942,347	1,158	1,795,155	-	148,350
School Lunch	4,049,394	4,595,128	4,204,608	-	4,439,914	4,802,318	4,292,555	-	4,949,677
Textbook Rental	305,380	1,593,128	705,188	-	1,193,320	1,538,140	1,732,719	-	998,741
Self-Insurance	250,000	6,477,807	5,417,395	-	1,310,412	9,466,974	8,393,643	-	2,383,743
Levy Excess	256,025	686,995	-	(443,554)	499,466	-	-	-	499,466
Joint Services and Supply - Area Vocational School	103,395	314,546	296,628	(89,144)	32,169	256,654	274,107	89,144	103,860
Perkins Grant	14,911	353,815	457,870	89,144	-	404,408	405,910	-	(1,502)
Project Lead the Way - HHS	7,676	-	-	-	7,676	-	-	-	7,676
Educational License Plates	2,342	1,950	2,500	-	1,792	1,350	500	-	2,642
Alternative Education	41,800	47,623	-	-	89,423	28,005	-	-	117,428
Early Intervention Grant	9,110	16,693	17,085	-	8,718	89,411	92,686	-	5,443
Donations and Gifts	27,561	-	1,000	2,814	29,375	-	-	-	29,375
Instruction Support	356	-	-	-	356	-	-	-	356
Map It for Students	6,797	-	-	-	6,797	-	6,797	-	-
Cole Walmart Grant	-	-	-	-	-	1,000	209	-	791
Summer Camps	2,868	18,411	17,566	-	3,713	33,705	29,827	-	7,591
Scholarships and Awards	5,991	-	500	-	5,491	-	500	-	4,991
Wood Scholars	27,429	3,057	-	-	30,486	48	500	-	30,034
Miscellaneous Programs	-	247,262	247,262	-	-	200,266	200,266	-	-
EPICS	1,800	6,715	-	(8,515)	-	-	-	-	-
Propane Gas Grant	-	50,000	-	-	50,000	-	50,000	-	-
Gifted and Talented Grant	12,565	74,587	62,467	(18,513)	6,172	74,668	67,568	(11,578)	1,694
Education Technology	-	500,120	500,120	-	-	232,400	232,400	-	-
Non-English Speaking Programs P.L. 273-1999	19,899	86,853	20,181	(86,571)	-	72,922	-	(62,433)	10,489
School Technology	104,867	14,981	-	-	119,848	10,519	2,016	-	128,351
Miscellaneous Clearing	-	-	1,200	1,200	-	-	3,000	3,000	-
Title I	306,121	1,135,516	1,375,645	(10,000)	55,992	1,128,515	1,232,549	-	(48,042)
Drug Free Schools Title IV	-	124	124	-	-	-	-	-	-
Perkins Tech Prep Grant	-	-	-	-	-	35,999	35,999	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	271,337	264,137	(2,493)	4,707	193,795	201,466	-	(2,964)
Title III, Language Instruction	304	84,418	304	(84,418)	-	14,842	17,862	-	(3,020)
Title I - Grants to LEAs	44,843	371,230	383,678	(11,090)	21,305	6,488	27,793	-	-
Education Jobs	-	2,132,520	2,132,520	-	-	31,501	31,501	-	-
Clean Cities ARRA	-	-	-	-	-	-	52,395	-	(52,395)
Payroll Clearing	-	14,181,832	14,181,832	-	-	13,712,753	13,712,753	-	-
Totals	\$ 46,395,952	\$ 146,721,951	\$ 144,178,429	\$ 2,233,354	\$ 51,172,828	\$ 144,201,197	\$ 145,833,263	\$ 207,776	\$ 49,748,538

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other Financing Sources and Uses

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	2008 Construction
Cash and investments - beginning	\$ 171,216	\$ 7,258,128	\$ 19,092,690	\$ 2,422,387	\$ 901,128	\$ 1,866,300	\$ 109,275	\$ 510,101
Receipts:								
Local sources	1,532,356	20,346,736	12,468,105	5,803,446	1,962,351	-	-	257
Intermediate sources	31,097	-	-	-	-	-	-	-
State sources	66,708,080	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	1,800,000	1,000,000	1,500,000	-	-	-
Other	181,425	-	27,033	54,064	-	19,193	-	-
Total receipts	<u>68,452,958</u>	<u>20,346,736</u>	<u>14,295,138</u>	<u>6,857,510</u>	<u>3,462,351</u>	<u>19,193</u>	<u>-</u>	<u>257</u>
Disbursements:								
Current:								
Instruction	48,989,741	-	-	-	-	337,176	-	-
Support services	16,147,015	-	4,781,455	6,260,245	1,703,268	-	-	-
Noninstructional services	692,776	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	8,024,661	-	-	-	-	307,977
Debt services	-	17,703,022	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	2,500,000	500,000	1,300,000	-	-	-
Total disbursements	<u>65,829,532</u>	<u>17,703,022</u>	<u>15,306,116</u>	<u>6,760,245</u>	<u>3,003,268</u>	<u>337,176</u>	<u>-</u>	<u>307,977</u>
Excess (deficiency) of receipts over disbursements	<u>2,623,426</u>	<u>2,643,714</u>	<u>(1,010,978)</u>	<u>97,265</u>	<u>459,083</u>	<u>(317,983)</u>	<u>-</u>	<u>(307,720)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	241,773	7,542	-	-	-	-
Transfers in	667,116	-	25	187,529	-	1,635,996	-	-
Transfers out	(304,514)	(1,000,000)	(189,491)	-	(331,482)	-	-	-
Total other financing sources (uses)	<u>362,602</u>	<u>(1,000,000)</u>	<u>52,307</u>	<u>195,071</u>	<u>(331,482)</u>	<u>1,635,996</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,986,028</u>	<u>1,643,714</u>	<u>(958,671)</u>	<u>292,336</u>	<u>127,601</u>	<u>1,318,013</u>	<u>-</u>	<u>(307,720)</u>
Cash and investments - ending	<u>\$ 3,157,244</u>	<u>\$ 8,901,842</u>	<u>\$ 18,134,019</u>	<u>\$ 2,714,723</u>	<u>\$ 1,028,729</u>	<u>\$ 3,184,313</u>	<u>\$ 109,275</u>	<u>\$ 202,381</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	2009 Construction	2010 Construction	QSCB Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply Area Vocational School
Cash and investments - beginning	\$ 7,963,221	\$ 500,072	\$ -	\$ 4,049,394	\$ 305,380	\$ 250,000	\$ 256,025	\$ 103,395
Receipts:								
Local sources	19,924	634	602	2,426,432	1,208,654	6,477,807	686,995	314,546
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	60,007	384,474	-	-	-
Federal sources	-	-	-	2,108,689	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>19,924</u>	<u>634</u>	<u>602</u>	<u>4,595,128</u>	<u>1,593,128</u>	<u>6,477,807</u>	<u>686,995</u>	<u>314,546</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	280,365
Support services	1,113	-	-	424	705,188	-	-	16,263
Noninstructional services	-	-	-	4,204,184	-	-	-	-
Facilities acquisition and construction	4,601,915	-	19,062	-	-	-	-	-
Debt services	-	-	19,193	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	5,417,395	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>4,603,028</u>	<u>-</u>	<u>38,255</u>	<u>4,204,608</u>	<u>705,188</u>	<u>5,417,395</u>	<u>-</u>	<u>296,628</u>
Excess (deficiency) of receipts over disbursements	<u>(4,583,104)</u>	<u>634</u>	<u>(37,653)</u>	<u>390,520</u>	<u>887,940</u>	<u>1,060,412</u>	<u>686,995</u>	<u>17,918</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	1,980,000	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(443,554)	(89,144)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(443,554)</u>	<u>(89,144)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,583,104)</u>	<u>634</u>	<u>1,942,347</u>	<u>390,520</u>	<u>887,940</u>	<u>1,060,412</u>	<u>243,441</u>	<u>(71,226)</u>
Cash and investments - ending	<u>\$ 3,380,117</u>	<u>\$ 500,706</u>	<u>\$ 1,942,347</u>	<u>\$ 4,439,914</u>	<u>\$ 1,193,320</u>	<u>\$ 1,310,412</u>	<u>\$ 499,466</u>	<u>\$ 32,169</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Perkins Grant	Project Lead the Way - HHS	Educational License Plates	Alternative Education	Early Intervention Grant	Donations and Gifts	Instruction Support	Map It for Students
Cash and investments - beginning	\$ 14,911	\$ 7,676	\$ 2,342	\$ 41,800	\$ 9,110	\$ 27,561	\$ 356	\$ 6,797
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	1,950	-	-	-	-	-
State sources	-	-	-	47,623	16,693	-	-	-
Federal sources	353,815	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>353,815</u>	<u>-</u>	<u>1,950</u>	<u>47,623</u>	<u>16,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	457,870	-	-	-	17,085	-	-	-
Support services	-	-	1,120	-	-	-	-	-
Noninstructional services	-	-	-	-	-	1,000	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,380	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>457,870</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>17,085</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(104,055)</u>	<u>-</u>	<u>(550)</u>	<u>47,623</u>	<u>(392)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	2,814	-	-
Transfers in	89,144	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>89,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,814</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(14,911)</u>	<u>-</u>	<u>(550)</u>	<u>47,623</u>	<u>(392)</u>	<u>1,814</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 7,676</u>	<u>\$ 1,792</u>	<u>\$ 89,423</u>	<u>\$ 8,718</u>	<u>\$ 29,375</u>	<u>\$ 356</u>	<u>\$ 6,797</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Cole Walmart Grant	Summer Camps	Scholarships and Awards	Wood Scholars	Miscellaneous Programs	EPICS	Propane Gas Grant	Gifted and Talented Grant
Cash and investments - beginning	\$ -	\$ 2,868	\$ 5,991	\$ 27,429	\$ -	\$ 1,800	\$ -	\$ 12,565
Receipts:								
Local sources	-	18,411	-	3,057	247,262	6,715	50,000	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	74,587
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	18,411	-	3,057	247,262	6,715	50,000	74,587
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	60,431
Support services	-	-	500	-	247,262	-	-	2,036
Noninstructional services	-	17,566	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	17,566	500	-	247,262	-	-	62,467
Excess (deficiency) of receipts over disbursements	-	845	(500)	3,057	-	6,715	50,000	12,120
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(8,515)	-	(18,513)
Total other financing sources (uses)	-	-	-	-	-	(8,515)	-	(18,513)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	845	(500)	3,057	-	(1,800)	50,000	(6,393)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,713</u>	<u>\$ 5,491</u>	<u>\$ 30,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 6,172</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Education Technology	Non-English Speaking Programs P.L. 273-1999	School Technology	Miscellaneous Clearing	Title I	Drug Free Schools Title IV	Perkins Tech Prep Grant
Cash and investments - beginning	\$ -	\$ 19,899	\$ 104,867	\$ -	\$ 306,121	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	500,120	86,853	14,981	-	-	-	-
Federal sources	-	-	-	-	1,135,516	124	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	500,120	86,853	14,981	-	1,135,516	124	-
Disbursements:							
Current:							
Instruction	-	20,181	-	1,200	1,117,607	-	-
Support services	-	-	-	-	239,696	124	-
Noninstructional services	-	-	-	-	18,342	-	-
Facilities acquisition and construction	500,120	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	500,120	20,181	-	1,200	1,375,645	124	-
Excess (deficiency) of receipts over disbursements	-	66,672	14,981	(1,200)	(240,129)	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	1,225	-	-	-
Transfers in	-	-	-	-	159,077	-	-
Transfers out	-	(86,571)	-	(25)	(169,077)	-	-
Total other financing sources (uses)	-	(86,571)	-	1,200	(10,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(19,899)	14,981	-	(250,129)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 119,848	\$ -	\$ 55,992	\$ -	\$ -

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Title I Grants to LEAs	Education Jobs	Clean Cities ARRA	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ 304	\$ 44,843	\$ -	\$ -	\$ -	\$ 46,395,952
Receipts:							
Local sources	-	-	-	-	-	-	53,574,290
Intermediate sources	-	-	-	-	-	-	33,047
State sources	-	-	-	-	-	-	67,893,418
Federal sources	271,337	84,418	371,230	2,132,520	-	-	6,457,649
Interfund loans	-	-	-	-	-	-	4,300,000
Other	-	-	-	-	-	14,181,832	14,463,547
Total receipts	<u>271,337</u>	<u>84,418</u>	<u>371,230</u>	<u>2,132,520</u>	<u>-</u>	<u>14,181,832</u>	<u>146,721,951</u>
Disbursements:							
Current:							
Instruction	251,924	-	113,697	2,020,994	-	-	53,668,271
Support services	12,213	304	198,707	98,928	-	-	30,415,861
Noninstructional services	-	-	71,274	12,598	-	-	5,017,740
Facilities acquisition and construction	-	-	-	-	-	-	13,453,735
Debt services	-	-	-	-	-	-	17,722,215
Nonprogrammed charges	-	-	-	-	-	14,181,832	19,600,607
Interfund loans	-	-	-	-	-	-	4,300,000
Total disbursements	<u>264,137</u>	<u>304</u>	<u>383,678</u>	<u>2,132,520</u>	<u>-</u>	<u>14,181,832</u>	<u>144,178,429</u>
Excess (deficiency) of receipts over disbursements	<u>7,200</u>	<u>84,114</u>	<u>(12,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,543,522</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	1,980,000
Sale of capital assets	-	-	-	-	-	-	253,354
Transfers in	-	-	-	-	-	-	2,738,887
Transfers out	(2,493)	(84,418)	(11,090)	-	-	-	(2,738,887)
Total other financing sources (uses)	<u>(2,493)</u>	<u>(84,418)</u>	<u>(11,090)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,233,354</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,707</u>	<u>(304)</u>	<u>(23,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,776,876</u>
Cash and investments - ending	<u>\$ 4,707</u>	<u>\$ -</u>	<u>\$ 21,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,172,828</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	2008 Construction
Cash and investments - beginning	\$ 3,157,244	\$ 8,901,842	\$ 18,134,019	\$ 2,714,723	\$ 1,028,729	\$ 3,184,313	\$ 109,275	\$ 202,381
Receipts:								
Local sources	1,468,582	19,657,095	11,308,761	5,572,976	1,660,478	-	-	52
Intermediate sources	73,725	-	-	-	-	-	-	-
State sources	68,055,423	-	-	239	-	-	-	-
Federal sources	-	38,386	-	-	-	-	-	-
Interfund loans	-	-	2,500,000	1,500,000	-	-	-	-
Other	-	-	20,703	1,566	-	-	-	-
Total receipts	<u>69,597,730</u>	<u>19,695,481</u>	<u>13,829,464</u>	<u>7,074,781</u>	<u>1,660,478</u>	<u>-</u>	<u>-</u>	<u>52</u>
Disbursements:								
Current:								
Instruction	51,561,711	-	-	-	-	280	-	52
Support services	16,503,461	-	5,368,895	6,111,558	668,834	-	-	-
Noninstructional services	709,719	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	8,293,799	-	-	-	-	202,381
Debt services	-	18,748,310	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	1,500,000	1,000,000	1,500,000	-	-	-
Total disbursements	<u>68,774,891</u>	<u>18,748,310</u>	<u>15,162,694</u>	<u>7,111,558</u>	<u>2,168,834</u>	<u>280</u>	<u>-</u>	<u>202,433</u>
Excess (deficiency) of receipts over disbursements	<u>822,839</u>	<u>947,171</u>	<u>(1,333,230)</u>	<u>(36,777)</u>	<u>(508,356)</u>	<u>(280)</u>	<u>-</u>	<u>(202,381)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	64	4,068	111,500	-	-	-
Transfers in	74,011	-	-	-	-	200,000	-	-
Transfers out	-	-	-	-	(200,000)	-	-	-
Total other financing sources (uses)	<u>74,011</u>	<u>-</u>	<u>64</u>	<u>4,068</u>	<u>(88,500)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>896,850</u>	<u>947,171</u>	<u>(1,333,166)</u>	<u>(32,709)</u>	<u>(596,856)</u>	<u>199,720</u>	<u>-</u>	<u>(202,381)</u>
Cash and investments - ending	<u>\$ 4,054,094</u>	<u>\$ 9,849,013</u>	<u>\$ 16,800,853</u>	<u>\$ 2,682,014</u>	<u>\$ 431,873</u>	<u>\$ 3,384,033</u>	<u>\$ 109,275</u>	<u>\$ -</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	2009 Construction	2010 Construction	QSCB Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply Area Vocational School
Cash and investments - beginning	\$ 3,380,117	\$ 500,706	\$ 1,942,347	\$ 4,439,914	\$ 1,193,320	\$ 1,310,412	\$ 499,466	\$ 32,169
Receipts:								
Local sources	4,572	800	1,158	2,563,204	1,206,542	9,466,974	-	256,654
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	62,107	331,598	-	-	-
Federal sources	-	-	-	2,177,007	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>4,572</u>	<u>800</u>	<u>1,158</u>	<u>4,802,318</u>	<u>1,538,140</u>	<u>9,466,974</u>	<u>-</u>	<u>256,654</u>
Disbursements:								
Current:								
Instruction	-	348	-	-	-	-	-	256,012
Support services	-	-	-	4,030	1,732,719	-	-	18,095
Noninstructional services	-	-	-	4,288,525	-	-	-	-
Facilities acquisition and construction	767,814	3,425	1,795,155	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	8,393,643	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>767,814</u>	<u>3,773</u>	<u>1,795,155</u>	<u>4,292,555</u>	<u>1,732,719</u>	<u>8,393,643</u>	<u>-</u>	<u>274,107</u>
Excess (deficiency) of receipts over disbursements	<u>(763,242)</u>	<u>(2,973)</u>	<u>(1,793,997)</u>	<u>509,763</u>	<u>(194,579)</u>	<u>1,073,331</u>	<u>-</u>	<u>(17,453)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	89,144
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,144</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(763,242)</u>	<u>(2,973)</u>	<u>(1,793,997)</u>	<u>509,763</u>	<u>(194,579)</u>	<u>1,073,331</u>	<u>-</u>	<u>71,691</u>
Cash and investments - ending	<u>\$ 2,616,875</u>	<u>\$ 497,733</u>	<u>\$ 148,350</u>	<u>\$ 4,949,677</u>	<u>\$ 998,741</u>	<u>\$ 2,383,743</u>	<u>\$ 499,466</u>	<u>\$ 103,860</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Perkins Grant	Project Lead the Way - HHS	Educational License Plates	Alternative Education	Early Intervention Grant	Donations and Gifts	Instruction Support	Map It for Students
Cash and investments - beginning	\$ -	\$ 7,676	\$ 1,792	\$ 89,423	\$ 8,718	\$ 29,375	\$ 356	\$ 6,797
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	1,350	-	-	-	-	-
State sources	-	-	-	28,005	89,411	-	-	-
Federal sources	404,408	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>404,408</u>	<u>-</u>	<u>1,350</u>	<u>28,005</u>	<u>89,411</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	405,910	-	-	-	92,686	-	-	-
Support services	-	-	500	-	-	-	-	6,797
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>405,910</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>92,686</u>	<u>-</u>	<u>-</u>	<u>6,797</u>
Excess (deficiency) of receipts over disbursements	<u>(1,502)</u>	<u>-</u>	<u>850</u>	<u>28,005</u>	<u>(3,275)</u>	<u>-</u>	<u>-</u>	<u>(6,797)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,502)</u>	<u>-</u>	<u>850</u>	<u>28,005</u>	<u>(3,275)</u>	<u>-</u>	<u>-</u>	<u>(6,797)</u>
Cash and investments - ending	<u>\$ (1,502)</u>	<u>\$ 7,676</u>	<u>\$ 2,642</u>	<u>\$ 117,428</u>	<u>\$ 5,443</u>	<u>\$ 29,375</u>	<u>\$ 356</u>	<u>\$ -</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Cole Walmart Grant	Summer Camps	Scholarships and Awards	Wood Scholars	Miscellaneous Programs	EPICS	Propane Gas Grant	Gifted and Talented Grant
Cash and investments - beginning	\$ -	\$ 3,713	\$ 5,491	\$ 30,486	\$ -	\$ -	\$ 50,000	\$ 6,172
Receipts:								
Local sources	1,000	33,705	-	48	200,266	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	74,668
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>1,000</u>	<u>33,705</u>	<u>-</u>	<u>48</u>	<u>200,266</u>	<u>-</u>	<u>-</u>	<u>74,668</u>
Disbursements:								
Current:								
Instruction	209	-	-	-	-	-	-	65,943
Support services	-	-	500	500	200,266	-	50,000	1,625
Noninstructional services	-	29,827	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>209</u>	<u>29,827</u>	<u>500</u>	<u>500</u>	<u>200,266</u>	<u>-</u>	<u>50,000</u>	<u>67,568</u>
Excess (deficiency) of receipts over disbursements	<u>791</u>	<u>3,878</u>	<u>(500)</u>	<u>(452)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>7,100</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(11,578)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,578)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>791</u>	<u>3,878</u>	<u>(500)</u>	<u>(452)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(4,478)</u>
Cash and investments - ending	<u>\$ 791</u>	<u>\$ 7,591</u>	<u>\$ 4,991</u>	<u>\$ 30,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,694</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Education Technology	Non-English Speaking Programs P.L. 273-1999	School Technology	Miscellaneous Clearing	Title I	Drug Free Schools Title IV	Perkins Tech Prep Grant
Cash and investments - beginning	\$ -	\$ -	\$ 119,848	\$ -	\$ 55,992	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	232,400	72,922	10,519	-	-	-	-
Federal sources	-	-	-	-	1,128,515	-	35,999
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>232,400</u>	<u>72,922</u>	<u>10,519</u>	<u>-</u>	<u>1,128,515</u>	<u>-</u>	<u>35,999</u>
Disbursements:							
Current:							
Instruction	-	-	-	3,000	903,610	-	35,999
Support services	-	-	2,016	-	309,409	-	-
Noninstructional services	-	-	-	-	19,530	-	-
Facilities acquisition and construction	232,400	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>232,400</u>	<u>-</u>	<u>2,016</u>	<u>3,000</u>	<u>1,232,549</u>	<u>-</u>	<u>35,999</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>72,922</u>	<u>8,503</u>	<u>(3,000)</u>	<u>(104,034)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	3,000	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(62,433)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(62,433)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>10,489</u>	<u>8,503</u>	<u>-</u>	<u>(104,034)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,489</u>	<u>\$ 128,351</u>	<u>\$ -</u>	<u>\$ (48,042)</u>	<u>\$ -</u>	<u>\$ -</u>

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Title I Grants to LEAs	Education Jobs	Clean Cities ARRA	Payroll Clearing	Totals
Cash and investments - beginning	\$ 4,707	\$ -	\$ 21,305	\$ -	\$ -	\$ -	\$ 51,172,828
Receipts:							
Local sources	-	-	-	-	-	-	53,402,867
Intermediate sources	-	-	-	-	-	-	75,075
State sources	-	-	-	-	-	-	68,957,292
Federal sources	193,795	14,842	6,488	31,501	-	-	4,030,941
Interfund loans	-	-	-	-	-	-	4,000,000
Other	-	-	-	-	-	13,712,753	13,735,022
Total receipts	193,795	14,842	6,488	31,501	-	13,712,753	144,201,197
Disbursements:							
Current:							
Instruction	192,491	-	2,234	31,501	-	-	53,551,986
Support services	8,975	17,862	21,351	-	52,395	-	31,079,788
Noninstructional services	-	-	4,208	-	-	-	5,051,809
Facilities acquisition and construction	-	-	-	-	-	-	11,294,974
Debt services	-	-	-	-	-	-	18,748,310
Nonprogrammed charges	-	-	-	-	-	13,712,753	22,106,396
Interfund loans	-	-	-	-	-	-	4,000,000
Total disbursements	201,466	17,862	27,793	31,501	52,395	13,712,753	145,833,263
Excess (deficiency) of receipts over disbursements	(7,671)	(3,020)	(21,305)	-	(52,395)	-	(1,632,066)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	207,776
Transfers in	-	-	-	-	-	-	274,011
Transfers out	-	-	-	-	-	-	(274,011)
Total other financing sources (uses)	-	-	-	-	-	-	207,776
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,671)	(3,020)	(21,305)	-	(52,395)	-	(1,424,290)
Cash and investments - ending	\$ (2,964)	\$ (3,020)	\$ -	\$ -	\$ (52,395)	\$ -	\$ 49,748,538

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TIPPECANOE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2012

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	\$ 8,860,000	\$ 3,743,500
Harrison/ETM	9,500,000	3,752,000
Woodland/BGE	36,645,000	6,326,500
Harrison/McCutcheon Advanced Studies	19,365,000	2,948,545
Wyandotte	18,425,000	1,726,662
Bonds payable:		
General obligation bonds:		
Qualified School Construction Bonds of 2011	2,000,000	200,522
Notes and loans payable		
Common School Loan #A1349	121,438	49,668
Common School Loan #A1403	163,604	48,263
Common School Loan #A1496	450,108	104,275
Common School Loan #A1573	232,400	24,580
Total governmental activities debt	<u>\$ 95,762,550</u>	<u>\$ 18,924,515</u>

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Controls over receipting, disbursing, recording, and accounting for the financial activities of school textbook rental and school lunch funds were insufficient. The School Corporation has not identified risks to the preparation of reliable financial statements related to the financial position and transactions of these funds and as a result has failed to design effective controls to prevent or detect material misstatements over the preparation of the financial statements and reports. A similar comment was contained in the prior Report B38513.

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)

CONDITION OF RECORDS - PREPAID LUNCH

The subsidiary accounts did not reconcile to the financial statement balance for the School Lunch Fund. A similar comment was contained in the prior Report B38513.

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)

COLLECTIVE BARGAINING AGREEMENT

The collective bargaining agreement presented for audit contained the following items prohibited by Indiana Code 20-29-6-4, 20-29-6-4.5 and 20-29-6-4.7:

1. Article II discussed management rights.
2. Article IV - Leaves, Sections 4, 11, 12, and 13 discuss unpaid leave.
3. Article V - Salaries and Wages, Sections 4 - 11 discuss number of pays in each school year, payroll deductions and dues deductions.
4. Article VI - Effect of Agreement, Sections 2 and 3 discuss severability and supremacy.

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 20-29-6-4 states:

"(a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool."

Indiana Code 20-29-6-4.5 states:

"(a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

1. The school calendar.
2. Teacher dismissal procedures and criteria.
3. Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.
4. The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
5. Any subject not expressly listed in section 4 of this chapter.
 - a. A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article."

The State Board of Accounts will review school corporations' collective bargaining agreements during the audit process to determine whether the agreements contained prohibited subjects of bargaining. . . . Financial losses related to a corporation's inclusion of prohibited subjects may be the personal obligation of the responsible school official or employee. (The School Administrator and Uniform Compliance Guidelines Volume 198, June 2012)

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS - McCUTCHEON HIGH SCHOOL

The bank reconciliation as of May 31, 2011, indicated a cash necessary to balance of \$42,133.12. Numerous posting errors and corrections were traced back to May through June 2009 and made during a conversion to a new computer system. On December 31, 2011, after identifying the majority of posting errors an entry of \$42,723.18 on December 31, 2011, was made to clean this up, to bring the correct cash balance forward from old computer system. Reconcilements have been properly maintained since this adjustment.

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

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 Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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 Tippecanoe School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 2012-2 and 2012-3.

Internal Control Over Compliance

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies, or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2 and 2012-3 to be material weaknesses.

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 the response.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 4, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 2010-2012	\$ 330,312	\$ 362,019
National School Lunch Program	10.555	FY 2010-2012	<u>2,061,904</u>	<u>2,157,400</u>
Total for federal grantor agency			<u>2,392,216</u>	<u>2,519,419</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	10-7865	147,045	-
		11-7865	1,238,597	102,441
		12-7865	<u>-</u>	<u>1,082,070</u>
Total for program			<u>1,385,642</u>	<u>1,184,511</u>
ARRA Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>383,678</u>	<u>27,792</u>
Total for cluster			<u>3,154,962</u>	<u>2,396,814</u>
Career and Technical Education - Basic Grants to States	84.048	10-4700-7865	105,779	-
		11-4700-7865	352,090	42,308
		12-4700-7865	<u>-</u>	<u>362,100</u>
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States				
Division of College & Preparation Pathways/Tech Prep Grant	84.048	11-6200-7865	<u>-</u>	<u>35,999</u>
Total for program			<u>457,869</u>	<u>440,407</u>
Pass-Through Indiana Department of Education				
English Language Acquisition Grants	84.365	FY 09-10	304	-
		FY 10-11	<u>84,418</u>	<u>14,842</u>
Total for program			<u>84,722</u>	<u>14,842</u>
Improving Teacher Quality State Grants	84.367	10-7865	103,470	-
		11-7865	<u>156,095</u>	<u>198,502</u>
Total for program			<u>259,565</u>	<u>198,502</u>
Education Jobs Fund	84.410		<u>2,132,520</u>	<u>31,501</u>
Total for federal grantor agency			<u>6,089,638</u>	<u>3,082,066</u>
Total federal awards expended			<u>\$ 7,096,212</u>	<u>\$ 4,416,974</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

Note 1. 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 statement. 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 Indiana Code (IC 5-11-1 et seq.), audits of Schools shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. 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, 2011 and 2012:

Program Title	Federal CFDA Number	2011	2012
Career and Technical Education – Basic Grants to States (Perkins IV)	84.048	\$ 416,024	\$ 357,679

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
National School Lunch Program	10.555	\$ 283,527	\$ 342,413

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Child Nutrition Cluster Title 1, Part A Cluster Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$326,617

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - 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:

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.

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-02 - CASH MANAGEMENT

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program and National School Lunch Program
CFDA Number: 10.553 and 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2010-2011 and 2011-2012
Pass-Through Entity: Indiana Department of Education

The Corporation has not developed the controls necessary to reasonably ensure that cash resources maintained in the School Lunch Fund do not exceed 3 months of average expenditures.

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: "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)."

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 \$406,629 in expenses per month (or \$1,219,886 for 3 months average expenditures) based on a 10 month operating year and showed cash balances as follows:

<u>June 30, 2011</u>	<u>June 30, 2012</u>
<u>\$ 3,954,562</u>	<u>\$ 4,890,692</u>

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

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

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

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 program.

FINDING 2012-03 - INTERNAL CONTROLS OVER REPORTING – Child Nutrition Cluster

Federal Agency: U.S. DEPARTMENT OF AGRICULTURE

Federal Program: School Breakfast Program and National School Lunch Program

CFDA Number: 10.553 & 10.555

Federal Award Number and Year (or Other Identifying Number): SY 2010-2011 & SY 2011-2012

Pass-Through Entity: Indiana Department of Education

The Corporation has not established controls sufficient to ensure that the required reports to the Indiana Department of Education are accurately prepared.

The School filed an annual report as required by the Indiana Department of Education for the school years of 2010-11 and 2011-12 that did not agree with their financial statements.

7 CFR 210.20(b) states:

"Participating State agencies shall submit forms and reports to the Food Nutrition Service (FNS) to demonstrate compliance with Program Requirements. The reports include but are not limited to:

1. Accounting records and source documents to control the receipts, custody and disbursement of Federal funds as required under 210.5(d)."

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation's management establish controls related to the proper preparation and review of information provided in the Child Nutrition Cluster reports.

TIPPECANOE SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Administrative Offices
<http://tsc.k12.in.us>



Phone
(765) 474-2481
Fax
(765) 474-0533

Tippecanoe School Corporation

21 Elston Road
Lafayette, Indiana 47909-2899

November 29, 2012

State Board of Accounts

Re: Summary Schedule of Prior Audit Findings

Finding Number 2010-2

Original SBA Audit Report Number

Fiscal Year FY 2008-09 and 2009-10

Auditee Contact Person Kimberly Fox

Title of Contact Person Chief Financial Officer/Treasurer

Status of Finding: Over the last two years the Food Service Director has implemented the following action: Contracting the maintenance of equipment in lieu of TSC maintenance personnel doing the repairs, purchase of three transit vehicles for the food service department usage, purchased new computers in various buildings as needed, aggressively replaced kitchen equipment, began paying for lunch aides and lunch custodial support and purchased signage and small wares for our new elementary school.

Finding Number 2010-3

Original SBA Audit Report Number

Fiscal Year FY 2008-09 and 2009-10

Auditee Contact Person Kimberly Fox

Title of Contact Person Chief Financial Officer/Treasurer

Status of Finding: As of July 1 2010, the TSC expends funds and then requests reimbursement from the Department of Education. We no longer have excess funds on hand.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly J. Fox".

Kimberly J. Fox
Chief Financial Officer
Tippecanoe School Corporation



Tippecanoe School Corporation

21 Elston Road
Lafayette, Indiana 47909-2899

February 4, 2013

Mr. Bruce Hartman
State Examiner
State Board of Accounts
302 W. Washington Street
Indianapolis, IN 46204-2765

Re: Corrective Action Plan

Dear Mr. Hartman:

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

2012-1 Internal Controls Over Financial Transactions and Reporting

The financial information from the TSC extra-curricular treasurer is integrated into the corporation financials for Form 9 reporting purposes only. 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 Director of Food Service and believe that we have corrected the problem effective with the period of 7-1-12 to 12-31-12. The TSC extra-curricular treasurer will no longer use the voucher system associated with our extra-curricular software. The voucher program was causing a problem with the way cash was reported. Effective July 1, 2013 the Food Service extra-curricular account will become a TSC corporation account which should solve the challenges we have had integrating the extra-curricular accounts in the TSC corporation accounts for Form 9 reporting purposes.

2012-2 Excessive Cash Balances

Federal Agency: U.S. Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555
Federal Award Number: FY 2010/2011 & FY 2011/2012
Pass-through Entity: Indiana Department of Education

This comment refers to the growing cash balance in our extra-curricular Cafeteria 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 Cafeteria Fund were covered by both the TSC General Fund and the

Capital Projects Fund. That practice has changed and the Cafeteria Fund is paying all expenses now that belong to that program. We will continue to try and reduce the cash balance in this fund. However, we have recently been informed that the USDA will be requiring us to raise our lunch prices for the 2013-14 school year.

2012-3 Internal Controls Over Reporting

Federal Agency: U.S. Department of Agriculture

Federal Program: Child Nutrition Cluster

CFDA Number: 10.553 and 10.555

Federal Award Number: SY 2010/2011 & SY 2011/2012

Pass-Through Entity: Indiana Department of Education

It was brought to our attention during the audit that the Cafeteria Fund annual reports submitted to the Indiana Department of Education did not balance with the financial reports from the TSC accounting system. The Director of Food Service had authorization to run the financial reports from the TSC accounting system. However, if additional expenditure accounts were added during the school year she did not have access to those accounts and the expenditures attached to the newly added account numbers did not appear on her copy of the financial reports. Going forward either the Chief Financial Officer or the Deputy Treasurer will run the reports for the Director of Food Service which will guarantee that all of the account numbers will appear for the Cafeteria Fund.

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 4, 2013, with Dr. Scott Hanback, Superintendent of Schools; Jim Slaven, President of the School Board; Kimberly J. Fox, Treasurer; Lana Crum, Deputy Treasurer; Lori A. Shofroth, Food Service Director; and Patty M. Anaya, Executive ECA Treasurer. The officials concurred with our audit findings.