

**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, 2012 to June 30, 2014



**FILED**  
08/26/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly J. Fox (Vacant) Amanda Brackett	07-01-12 to 06-30-15 07-01-15 to 07-19-15 07-20-15 to 06-30-17
Superintendent of Schools	Dr. Scott Hanback	07-01-12 to 06-30-17
President of the School Board	Kathy Dale Jim Slaven Randy Bond Linda Day	07-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-15 01-01-16 to 12-31-16



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302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statement***

We have audited the accompanying financial statement of the Tippecanoe School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2012 to June 30, 2014.

***Opinion on Regulatory Basis of Accounting***

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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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 records 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.


*Other Information*

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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is July 13, 2016, 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* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

February 11, 2015, except for the Schedule of Expenditures of Federal Awards,  
as to which the date is July 13, 2016



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INDEPENDENT AUDITOR'S 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, 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, the financial statement of the Tippecanoe School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated February 11, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is July 13, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be a significant deficiency. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a significant deficiency.



INDEPENDENT AUDITOR'S 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***

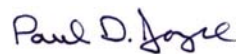
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

***Tippecanoe School Corporation's Response to Findings***

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 11, 2015, except for the Schedule of Expenditures of Federal Awards,  
as to which the date is July 13, 2016

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#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 4,054,094	\$ 73,641,987	\$ 70,718,696	\$ 298,855	\$ 7,276,240	\$ 76,706,766	\$ 72,352,308	\$ 164,788	\$ 11,795,486
Debt Service	9,849,013	20,054,393	19,280,786	-	10,622,620	18,850,245	19,493,944	260,240	10,239,161
Capital Projects	16,800,853	13,672,095	12,398,943	(136,643)	17,937,362	11,653,635	11,950,128	201,533	17,842,402
School Transportation	2,682,015	6,085,765	7,430,689	(85,274)	1,251,817	6,051,483	6,244,855	71,439	1,129,884
School Bus Replacement	431,875	1,589,299	840,905	85,474	1,265,743	1,613,492	1,601,701	37,914	1,315,448
Rainy Day	3,384,032	-	-	(19,193)	3,364,839	-	-	-	3,364,839
Post-Retirement/Severance Future Benefits	109,275	-	-	-	109,275	-	-	-	109,275
Construction	-	-	-	-	-	-	-	9,737,056	9,737,056
Construction 2009 HHS	2,616,876	69,330	865,784	-	1,820,422	2,239	88,302	-	1,734,359
Construction 2010	497,733	19,343	130,871	-	386,205	452	49,992	-	336,665
Construction QSCB 2011	148,349	121	86,755	19,193	80,908	34	68,040	-	12,902
Construction 2013	-	-	93,320	2,000,000	1,906,680	654	1,785,472	-	121,862
Construction 2013 WRE	-	-	-	-	-	7	-	6,800	6,807
Construction 2014 GO	-	-	-	-	-	1,117	226,576	6,000,000	5,774,541
School Lunch	4,949,673	5,259,476	4,653,678	310	5,555,781	5,142,707	4,816,514	106	5,882,080
Prepaid Lunch Clearing	-	-	-	-	-	179,891	78,286	-	101,605
Textbook Rental	661,127	1,914,452	1,260,761	-	1,314,818	1,988,298	1,684,232	-	1,618,884
Self-Insurance	2,383,743	8,898,443	8,054,894	-	3,227,292	17,937,209	12,251,296	-	8,913,205
Levy Excess	499,466	10,809	-	-	510,275	-	-	(510,275)	-
Joint Services and Supply - Area Vocational School	103,860	228,631	223,855	-	108,636	261,673	230,977	-	139,332
Perkins Grant	(1,502)	231,841	399,353	-	(169,014)	411,341	406,388	(960)	(165,021)
Project Lead The Way	7,676	-	-	-	7,676	-	7,676	-	-
Educational License Plates	2,642	2,063	-	-	4,705	1,256	2,296	-	3,665
Alternative Education	117,428	41,640	-	(117,428)	41,640	34,652	-	(76,292)	-
Early Intervention Grant	5,443	-	5,443	-	-	-	-	-	-
Donations & Gifts	29,375	-	4,995	1,500	25,880	-	16,334	74,379	83,925
Instruction Support	356	-	-	-	356	-	-	-	356
Cole Walmart Grant	792	-	-	-	792	-	792	-	-
Summer Camps	7,591	39,029	40,482	-	6,138	24,453	23,243	-	7,348
Scholarships and Awards	5,462	1,000	700	-	5,762	-	500	-	5,262
Wood Scholars	30,034	229	29,261	-	1,002	1	500	-	503
Miscellaneous Programs	-	249,990	249,990	-	-	286,965	286,965	-	-
Gifted & Talented Grant	1,694	84,670	65,470	(20,420)	474	82,098	73,331	(7,309)	1,932
Education Technology	-	-	303,325	-	(303,325)	763,039	459,714	-	-
Common School Fund	-	-	-	-	-	1,098,148	1,095,925	(2,223)	-
Non-English Speaking Programs P.L. 273-1999	10,489	68,211	10,489	(68,211)	-	71,311	-	(71,311)	-
School Technology	128,350	10,857	74,639	-	64,568	14,389	6,010	-	72,947
Unidentified Funds	-	-	3,217	3,217	-	-	800	800	-
Technology Student PC Support	-	50,086	20,149	136,643	166,580	404,109	431,120	-	139,569
Title I	(48,043)	1,313,872	1,351,846	-	(86,017)	1,461,468	1,429,502	(75)	(54,126)
Special Education Improvement Award	-	63,537	63,537	-	-	69,852	69,852	-	-
Vocational and Technical Board Grants	-	11,047	11,047	-	-	-	-	-	-
Tech Mini Grant	-	-	-	-	-	13,928	13,928	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(2,966)	203,496	236,486	-	(35,956)	265,097	249,576	(5,098)	(25,533)
Title III - Language Instruction	(3,020)	99,032	3,216	(92,796)	-	12,473	10,846	(1,627)	-
Education Jobs	-	44,187	44,187	-	-	-	-	-	-
Clean Cities - ARRA	(52,395)	52,395	-	-	-	-	-	-	-
Payroll Clearing	-	14,513,275	14,513,275	-	-	14,962,376	14,962,376	-	-
<b>Totals</b>	<b>\$ 49,411,390</b>	<b>\$ 148,524,601</b>	<b>\$ 143,471,044</b>	<b>\$ 2,005,227</b>	<b>\$ 56,470,174</b>	<b>\$ 160,366,858</b>	<b>\$ 152,470,297</b>	<b>\$ 15,879,885</b>	<b>\$ 80,246,620</b>

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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

TIPPECANOE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

Temporary loans, which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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, and self-insurance payments.

TIPPECANOE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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:

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



TIPPECANOE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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 a cost-sharing 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.

TIPPECANOE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*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. Teachers' Retirement Fund**

*Plan Description*

The Indiana Teachers' 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  
One North Capitol, 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.

TIPPECANOE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014.

**Note 8. Restatements**

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund	Balance as of June 30, 2012	Prior Period Adjustment	Balance as of July 1, 2012
Scholarships and Awards	\$ 4,991	\$ 471	\$ 5,462
Textbook Rental	998,741	(337,614)	661,127

**Note 9. Holding Corporations**

The School Corporation has entered into a capital lease with the 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 school years 2012-2013 and 2013-2014 totaled \$6,326,454 and \$6,675,000, respectively.

The School Corporation has entered into a capital lease with the Tippecanoe County Middle 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 school years 2012-2013 and 2013-2014 totaled \$3,743,500 and \$3,746,500, respectively.

The School Corporation has entered into capital leases with the 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 school years 2012-2013 and 2013-2014 totaled \$8,454,709 and \$8,467,912, respectively.

The School Corporation has entered into a capital lease with the Tippecanoe County Elementary 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 will begin during the school year 2014-2015.

TIPPECANOE SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

***Note 10. Other Postemployment Benefits***

The School Corporation provides TSC health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

#### OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 other 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, 2013

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 4,054,094	\$ 9,849,013	\$ 16,800,853	\$ 2,682,015	\$ 431,875	\$ 3,384,032	\$ 109,275	\$ -
Receipts:								
Local sources	1,037,823	19,982,101	11,652,562	6,000,241	1,589,299	-	-	-
Intermediate sources	87,002	-	-	-	-	-	-	-
State sources	72,517,162	-	-	-	-	-	-	-
Federal sources	-	72,292	-	-	-	-	-	-
Temporary loans	-	-	471,163	-	-	-	-	-
Interfund loans	-	-	1,500,000	-	-	-	-	-
Other	-	-	48,370	85,524	-	-	-	-
Total receipts	73,641,987	20,054,393	13,672,095	6,085,765	1,589,299	-	-	-
Disbursements:								
Current:								
Instruction	52,851,967	-	-	-	-	-	-	-
Support services	17,193,022	-	5,280,714	5,930,689	840,905	-	-	-
Noninstructional services	673,707	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	7,118,229	-	-	-	-	-
Debt services	-	19,280,786	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	1,500,000	-	-	-	-
Total disbursements	70,718,696	19,280,786	12,398,943	7,430,689	840,905	-	-	-
Excess (deficiency) of receipts over disbursements	2,923,291	773,607	1,273,152	(1,344,924)	748,394	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	200	-	-	-
Transfers in	298,855	-	-	-	85,274	-	-	-
Transfers out	-	-	(136,643)	(85,274)	-	(19,193)	-	-
Total other financing sources (uses)	298,855	-	(136,643)	(85,274)	85,474	(19,193)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,222,146	773,607	1,136,509	(1,430,198)	833,868	(19,193)	-	-
Cash and investments - ending	\$ 7,276,240	\$ 10,622,620	\$ 17,937,362	\$ 1,251,817	\$ 1,265,743	\$ 3,364,839	\$ 109,275	\$ -

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, 2013  
(Continued)

	Construction 2009 HHS	Construction 2010	Construction QSCB 2011	Construction 2013	Construction 2013 WRE	Construction 2014 GO	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,616,876	\$ 497,733	\$ 148,349	\$ -	\$ -	\$ -	\$ 4,949,673	\$ 661,127
Receipts:								
Local sources	69,330	19,343	121	-	-	-	2,670,662	1,564,953
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	65,751	349,499
Federal sources	-	-	-	-	-	-	2,523,063	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	69,330	19,343	121	-	-	-	5,259,476	1,914,452
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	7,504	1,260,761
Noninstructional services	-	-	-	-	-	-	4,646,174	-
Facilities acquisition and construction	865,784	130,871	86,755	93,320	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	865,784	130,871	86,755	93,320	-	-	4,653,678	1,260,761
Excess (deficiency) of receipts over disbursements	(796,454)	(111,528)	(86,634)	(93,320)	-	-	605,798	653,691
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	2,000,000	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	310	-
Transfers in	-	-	19,193	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	19,193	2,000,000	-	-	310	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(796,454)	(111,528)	(67,441)	1,906,680	-	-	606,108	653,691
Cash and investments - ending	\$ 1,820,422	\$ 386,205	\$ 80,908	\$ 1,906,680	\$ -	\$ -	\$ 5,555,781	\$ 1,314,818

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, 2013  
(Continued)

	Self- Insurance	Levy Excess	Joint Services and Supply - Area Vocational School	Perkins Grant	Project Lead The Way	Educational License Plates	Alternative Education	Early Intervention Grant
Cash and investments - beginning	\$ 2,383,743	\$ 499,466	\$ 103,860	\$ (1,502)	\$ 7,676	\$ 2,642	\$ 117,428	\$ 5,443
Receipts:								
Local sources	8,898,443	10,809	228,631	-	-	-	-	-
Intermediate sources	-	-	-	-	-	2,063	-	-
State sources	-	-	-	-	-	-	41,640	-
Federal sources	-	-	-	231,841	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	8,898,443	10,809	228,631	231,841	-	2,063	41,640	-
Disbursements:								
Current:								
Instruction	-	-	202,091	399,353	-	-	-	1,794
Support services	-	-	21,764	-	-	-	-	3,649
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	8,054,894	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	8,054,894	-	223,855	399,353	-	-	-	5,443
Excess (deficiency) of receipts over disbursements	843,549	10,809	4,776	(167,512)	-	2,063	41,640	(5,443)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(117,428)	-
Total other financing sources (uses)	-	-	-	-	-	-	(117,428)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	843,549	10,809	4,776	(167,512)	-	2,063	(75,788)	(5,443)
Cash and investments - ending	\$ 3,227,292	\$ 510,275	\$ 108,636	\$ (169,014)	\$ 7,676	\$ 4,705	\$ 41,640	\$ -



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, 2013  
(Continued)

	Donations & Gifts	Instruction Support	Cole Walmart Grant	Summer Camps	Scholarships and Awards	Wood Scholars	Miscellaneous Programs	Gifted & Talented Grant
Cash and investments - beginning	\$ 29,375	\$ 356	\$ 792	\$ 7,591	\$ 5,462	\$ 30,034	\$ -	\$ 1,694
Receipts:								
Local sources	-	-	-	39,029	1,000	229	249,990	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	84,670
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	39,029	1,000	229	249,990	84,670
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	63,236
Support services	4,995	-	-	-	700	29,261	249,990	2,234
Noninstructional services	-	-	-	40,482	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	4,995	-	-	40,482	700	29,261	249,990	65,470
Excess (deficiency) of receipts over disbursements	(4,995)	-	-	(1,453)	300	(29,032)	-	19,200
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	1,500	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(20,420)
Total other financing sources (uses)	1,500	-	-	-	-	-	-	(20,420)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,495)	-	-	(1,453)	300	(29,032)	-	(1,220)
Cash and investments - ending	\$ 25,880	\$ 356	\$ 792	\$ 6,138	\$ 5,762	\$ 1,002	\$ -	\$ 474

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, 2013  
(Continued)

	Education Technology	Common School Fund	Non-English Speaking Programs P.L. 273-1999	School Technology	Unidentified Funds	Technology Student PC Support	Title I	Special Education Improvement Award
Cash and investments - beginning	\$ -	\$ -	\$ 10,489	\$ 128,350	\$ -	\$ -	\$ (48,043)	\$ -
Receipts:								
Local sources	-	-	-	-	-	50,086	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	68,211	10,857	-	-	-	-
Federal sources	-	-	-	-	-	-	1,313,872	63,537
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	68,211	10,857	-	50,086	1,313,872	63,537
Disbursements:								
Current:								
Instruction	-	-	10,489	-	3,217	-	972,566	-
Support services	-	-	-	74,639	-	20,149	320,469	63,537
Noninstructional services	-	-	-	-	-	-	58,811	-
Facilities acquisition and construction	303,325	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	303,325	-	10,489	74,639	3,217	20,149	1,351,846	63,537
Excess (deficiency) of receipts over disbursements	(303,325)	-	57,722	(63,782)	(3,217)	29,937	(37,974)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	3,217	-	-	-
Transfers in	-	-	-	-	-	136,643	-	-
Transfers out	-	-	(68,211)	-	-	-	-	-
Total other financing sources (uses)	-	-	(68,211)	-	3,217	136,643	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(303,325)	-	(10,489)	(63,782)	-	166,580	(37,974)	-
Cash and investments - ending	\$ (303,325)	\$ -	\$ -	\$ 64,568	\$ -	\$ 166,580	\$ (86,017)	\$ -

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, 2013  
(Continued)

	Vocational and Technical Board Grants	Tech Mini Grant	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Education Jobs	Clean Cities ARRA	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (2,966)	\$ (3,020)	\$ -	\$ (52,395)	\$ -	\$ 49,411,390
Receipts:								
Local sources	-	-	-	-	-	-	-	54,064,652
Intermediate sources	-	-	-	-	-	-	-	89,065
State sources	-	-	-	-	-	-	-	73,137,790
Federal sources	11,047	-	203,496	99,032	44,187	52,395	-	4,614,762
Temporary loans	-	-	-	-	-	-	-	471,163
Interfund loans	-	-	-	-	-	-	-	1,500,000
Other	-	-	-	-	-	-	14,513,275	14,647,169
Total receipts	11,047	-	203,496	99,032	44,187	52,395	14,513,275	148,524,601
Disbursements:								
Current:								
Instruction	11,047	-	190,467	-	44,187	-	-	54,750,414
Support services	-	-	46,019	3,216	-	-	-	31,354,217
Noninstructional services	-	-	-	-	-	-	-	5,419,174
Facilities acquisition and construction	-	-	-	-	-	-	-	8,598,284
Debt services	-	-	-	-	-	-	-	19,280,786
Nonprogrammed charges	-	-	-	-	-	-	14,513,275	22,568,169
Interfund loans	-	-	-	-	-	-	-	1,500,000
Total disbursements	11,047	-	236,486	3,216	44,187	-	14,513,275	143,471,044
Excess (deficiency) of receipts over disbursements	-	-	(32,990)	95,816	-	52,395	-	5,053,557
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	2,000,000
Sale of capital assets	-	-	-	-	-	-	-	5,227
Transfers in	-	-	-	-	-	-	-	539,965
Transfers out	-	-	-	(92,796)	-	-	-	(539,965)
Total other financing sources (uses)	-	-	-	(92,796)	-	-	-	2,005,227
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(32,990)	3,020	-	52,395	-	7,058,784
Cash and investments - ending	\$ -	\$ -	\$ (35,956)	\$ -	\$ -	\$ -	\$ -	\$ 56,470,174

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, 2014

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance/ Future Benefits
Cash and investments - beginning	\$ 7,276,240	\$ 10,622,620	\$ 17,937,362	\$ 1,251,817	\$ 1,265,743	\$ 3,364,839	\$ 109,275
Receipts:							
Local sources	1,024,078	18,815,783	11,653,635	6,049,208	1,613,492	-	-
Intermediate sources	24,735	-	-	-	-	-	-
State sources	75,657,953	-	-	-	-	-	-
Federal sources	-	34,462	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	2,275	-	-	-
Total receipts	76,706,766	18,850,245	11,653,635	6,051,483	1,613,492	-	-
Disbursements:							
Current:							
Instruction	53,193,682	-	-	-	-	-	-
Support services	18,448,761	-	5,177,750	6,244,855	1,601,701	-	-
Noninstructional services	709,865	-	-	-	-	-	-
Facilities acquisition and construction	-	-	6,772,378	-	-	-	-
Debt services	-	19,493,944	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	72,352,308	19,493,944	11,950,128	6,244,855	1,601,701	-	-
Excess (deficiency) of receipts over disbursements	4,354,458	(643,699)	(296,493)	(193,372)	11,791	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	55,250	-	12,400	-	-
Transfers in	164,788	260,240	153,083	71,439	25,514	-	-
Transfers out	-	-	(6,800)	-	-	-	-
Total other financing sources (uses)	164,788	260,240	201,533	71,439	37,914	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,519,246	(383,459)	(94,960)	(121,933)	49,705	-	-
Cash and investments - ending	\$ 11,795,486	\$ 10,239,161	\$ 17,842,402	\$ 1,129,884	\$ 1,315,448	\$ 3,364,839	\$ 109,275

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, 2014  
(Continued)

	Construction	Construction 2009 HHS	Construction 2010	Construction QSCB 2011	Construction 2013	Construction 2013 WRE	Construction 2014 GO
Cash and investments - beginning	\$ -	\$ 1,820,422	\$ 386,205	\$ 80,908	\$ 1,906,680	\$ -	\$ -
Receipts:							
Local sources	-	2,239	452	34	654	7	1,117
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	2,239	452	34	654	7	1,117
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	88,302	49,992	68,040	1,785,472	-	226,576
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	88,302	49,992	68,040	1,785,472	-	226,576
Excess (deficiency) of receipts over disbursements	-	(86,063)	(49,540)	(68,006)	(1,784,818)	7	(225,459)
Other financing sources (uses):							
Proceeds of long-term debt	9,737,056	-	-	-	-	-	6,000,000
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	6,800	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	9,737,056	-	-	-	-	6,800	6,000,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,737,056	(86,063)	(49,540)	(68,006)	(1,784,818)	6,807	5,774,541
Cash and investments - ending	\$ 9,737,056	\$ 1,734,359	\$ 336,665	\$ 12,902	\$ 121,862	\$ 6,807	\$ 5,774,541

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, 2014  
(Continued)

	School Lunch	Prepaid Lunch Clearing	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Area Vocational School	Perkins Grant
Cash and investments - beginning	\$ 5,555,781	\$ -	\$ 1,314,818	\$ 3,227,292	\$ 510,275	\$ 108,636	\$ (169,014)
Receipts:							
Local sources	2,452,226	-	1,644,785	9,300,392	-	261,673	-
Intermediate sources	-	-	-	-	-	-	-
State sources	70,668	-	343,513	-	-	-	-
Federal sources	2,619,813	-	-	-	-	-	411,341
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	179,891	-	8,636,817	-	-	-
Total receipts	5,142,707	179,891	1,988,298	17,937,209	-	261,673	411,341
Disbursements:							
Current:							
Instruction	-	-	-	2,213	-	215,684	406,388
Support services	6,586	-	1,684,232	3,461,393	-	15,293	-
Noninstructional services	4,809,928	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	129,710	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	78,286	-	8,657,980	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	4,816,514	78,286	1,684,232	12,251,296	-	230,977	406,388
Excess (deficiency) of receipts over disbursements	326,193	101,605	304,066	5,685,913	-	30,696	4,953
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	106	-	-	-	-	-	-
Transfers out	-	-	-	-	(510,275)	-	(960)
Total other financing sources (uses)	106	-	-	-	(510,275)	-	(960)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	326,299	101,605	304,066	5,685,913	(510,275)	30,696	3,993
Cash and investments - ending	\$ 5,882,080	\$ 101,605	\$ 1,618,884	\$ 8,913,205	\$ -	\$ 139,332	\$ (165,021)

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, 2014  
(Continued)

	Project Lead The Way	Educational License Plates	Alternative Education	Early Intervention Grant	Donations & Gifts	Instruction Support	Cole Walmart Grant
Cash and investments - beginning	\$ 7,676	\$ 4,705	\$ 41,640	\$ -	\$ 25,880	\$ 356	\$ 792
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	1,256	-	-	-	-	-
State sources	-	-	34,652	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	1,256	34,652	-	-	-	-
Disbursements:							
Current:							
Instruction	7,676	-	-	-	7,671	-	792
Support services	-	681	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	8,663	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,615	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	7,676	2,296	-	-	16,334	-	792
Excess (deficiency) of receipts over disbursements	(7,676)	(1,040)	34,652	-	(16,334)	-	(792)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	74,379	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(76,292)	-	-	-	-
Total other financing sources (uses)	-	-	(76,292)	-	74,379	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,676)	(1,040)	(41,640)	-	58,045	-	(792)
Cash and investments - ending	\$ -	\$ 3,665	\$ -	\$ -	\$ 83,925	\$ 356	\$ -

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, 2014  
(Continued)

	Summer Camps	Scholarships and Awards	Wood Scholars	Miscellaneous Programs	Gifted & Talented Grant	Education Technology	Common School Fund
Cash and investments - beginning	\$ 6,138	\$ 5,762	\$ 1,002	\$ -	\$ 474	\$ (303,325)	\$ -
Receipts:							
Local sources	24,453	-	1	286,965	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	82,098	763,039	1,098,148
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	24,453	-	1	286,965	82,098	763,039	1,098,148
Disbursements:							
Current:							
Instruction	-	-	-	-	67,993	-	-
Support services	-	500	500	286,965	5,338	-	46,162
Noninstructional services	23,243	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	459,714	1,049,763
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	23,243	500	500	286,965	73,331	459,714	1,095,925
Excess (deficiency) of receipts over disbursements	1,210	(500)	(499)	-	8,767	303,325	2,223
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(7,309)	-	(2,223)
Total other financing sources (uses)	-	-	-	-	(7,309)	-	(2,223)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,210	(500)	(499)	-	1,458	303,325	-
Cash and investments - ending	\$ 7,348	\$ 5,262	\$ 503	\$ -	\$ 1,932	\$ -	\$ -



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, 2014  
(Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Unidentified Funds	Technology Student PC Support	Title I	Special Education Improvement Award	Vocational and Technical Board Grants
Cash and investments - beginning	\$ -	\$ 64,568	\$ -	\$ 166,580	\$ (86,017)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	404,109	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	71,311	14,389	-	-	-	-	-
Federal sources	-	-	-	-	1,461,468	69,852	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	71,311	14,389	-	404,109	1,461,468	69,852	-
Disbursements:							
Current:							
Instruction	-	-	300	-	1,034,128	-	-
Support services	-	6,010	500	431,120	340,158	69,852	-
Noninstructional services	-	-	-	-	55,216	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	6,010	800	431,120	1,429,502	69,852	-
Excess (deficiency) of receipts over disbursements	71,311	8,379	(800)	(27,011)	31,966	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	800	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(71,311)	-	-	-	(75)	-	-
Total other financing sources (uses)	(71,311)	-	800	-	(75)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,379	-	(27,011)	31,891	-	-
Cash and investments - ending	\$ -	\$ 72,947	\$ -	\$ 139,569	\$ (54,126)	\$ -	\$ -

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, 2014  
(Continued)

	Tech Mini Grant	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Education Jobs	Clean Cities ARRA	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (35,956)	\$ -	\$ -	\$ -	\$ -	\$ 56,470,174
Receipts:							
Local sources	-	-	-	-	-	-	53,535,303
Intermediate sources	-	-	-	-	-	-	25,991
State sources	-	-	-	-	-	-	78,135,771
Federal sources	13,928	265,097	12,473	-	-	-	4,888,434
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	14,962,376	23,781,359
Total receipts	13,928	265,097	12,473	-	-	14,962,376	160,366,858
Disbursements:							
Current:							
Instruction	13,928	215,880	-	-	-	-	55,166,335
Support services	-	33,696	10,846	-	-	-	37,872,899
Noninstructional services	-	-	-	-	-	-	5,598,252
Facilities acquisition and construction	-	-	-	-	-	-	10,638,610
Debt services	-	-	-	-	-	-	19,493,944
Nonprogrammed charges	-	-	-	-	-	14,962,376	23,700,257
Interfund loans	-	-	-	-	-	-	-
Total disbursements	13,928	249,576	10,846	-	-	14,962,376	152,470,297
Excess (deficiency) of receipts over disbursements	-	15,521	1,627	-	-	-	7,896,561
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	15,737,056
Sale of capital assets	-	-	-	-	-	-	142,829
Transfers in	-	-	-	-	-	-	681,970
Transfers out	-	(5,098)	(1,627)	-	-	-	(681,970)
Total other financing sources (uses)	-	(5,098)	(1,627)	-	-	-	15,879,885
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,423	-	-	-	-	23,776,446
Cash and investments - ending	\$ -	\$ (25,533)	\$ -	\$ -	\$ -	\$ -	\$ 80,246,620

TIPPECANOE SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Tippecanoe County Elementary School Building Corporation	Wea Ridge Elementary School First Mortgage Bonds Series 2013	\$ 1,456,500	6/30/2015	12/31/2017
Tippecanoe County Middle School Building Corporation	Wea Ridge Middle School Refunding Bonds Series 2011	1,872,000	1/15/2012	1/15/2015
Tippecanoe County NMSE School Building Corporation	Battle Ground Middle School and Woodland Elementary School First Mortgage Bonds 2006	6,426,500	1/15/2007	1/15/2019
Tippecanoe County NSE08 School Building Corporation	Harrison High School and McCutcheon High School Taxable First Mortgage Bonds Series 2009A	2,949,820	6/30/2010	12/31/2019
Tippecanoe County NSE08 School Building Corporation	Harrison High School and East Tipp Middle School Refunding and Improvement Bonds Series 2009B	2,596,000	12/31/2009	6/30/2015
Tippecanoe County NSE08 School Building Corporation	Wyandotte Elementary School First Mortgage Bonds Series 2009C	1,727,513	6/30/2011	12/31/2025
Total of annual lease payments		<u>\$ 17,028,333</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Qualified School Construction Bonds of 2011		\$ 1,650,000	\$ 300,123
General obligation bonds	General Obligation Bond 2013		2,000,000	1,023,500
General obligation bonds	General Obligation Bond 2014		6,000,000	196,136
Notes and loans payable	Common School Loan #A1349-Technology		24,288	24,409
Notes and loans payable	Common School Loan #A1403-Technology		70,116	47,328
Notes and loans payable	Common School Loan #A1496-Technology		250,060	102,274
Notes and loans payable	Common School Loan #A1573-Technology		162,680	47,990
Notes and loans payable	Common School Loan #A1648-Technology		272,993	63,243
Notes and loans payable	Common School Loan #A1776-Technology		459,714	48,415
Totals			<u>\$ 10,889,851</u>	<u>\$ 1,853,418</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

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

***Report on Compliance for Each Major Federal Program***

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, 2012 to June 30, 2014. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2012 to June 30, 2014.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, 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 item 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

This report replaces the previously issued Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance dated February 11, 2015. The Schedule of Expenditures of Federal Awards has been revised to correct a misstatement. This correction changed the determination of the major programs. The Special Education Cluster was also audited as a major program due to the change.

***Report on Internal Control over Compliance***

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

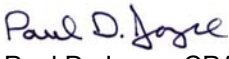
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not 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 over compliance 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 item 2014-002 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 11, 2015, except for the Special Education Cluster,  
as to which the date is July 13, 2016



#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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TIPPECANOE SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014

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 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 12-13	\$ 420,100	\$ -
		FY 13-14	-	436,058
National School Lunch Program	10.555	FY 12-13	2,421,721	-
		FY 13-14	-	2,573,969
Total for federal grantor agency			2,841,821	3,010,027
<u>U.S. DEPARTMENT OF ENERGY</u>				
Pass-Through Indiana Lieutenant Governor's Office of Energy Development				
ARRA - Conservation Research and Development	81.086	038-ARRACLNCITY	52,395	-
<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	12-7865	296,155	-
		13-7865	1,017,717	396,224
		14-7865	-	1,065,244
Total for cluster			1,313,872	1,461,468
Special Education Cluster				
Special Education_Grants to States	84.027	FY 11-12	63,537	-
		FY 12-13	-	69,852
		14212-023-PN01	327,445	-
		14213-023-PN01	1,500,242	338,327
		14214-023-PN01	-	656,532
		99914-023-TA01	-	10,692
Total for program			1,891,224	1,075,403
Special Education_Preschool Grants	84.173	45712-023-PN01	14,624	-
		45713-023-PN01	27,808	18,077
		45714-023-PN01	-	24,574
Total for program			42,432	42,651
Total for Special Education Cluster			1,933,656	1,118,054
Career and Technical Education - Basic Grants to States	84.048	12-4700-7865	27,544	-
		13-4700-7865	204,297	189,776
		14-4700-7865	-	221,565
Total for program			231,841	411,341
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grant to States	84.048	12-6200-7865	11,047	-
		13-6200-7865	-	13,928
Total for program			242,888	425,269
Pass-Through Indiana Department of Education				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	497FDVRB100-F13	-	300
English Language Acquisition Grants	84.365	FY 11-12	99,032	-
		FY 12-13	-	12,473
Improving Teacher Quality State Grants	84.367	12-7865	203,496	89,064
		13-7865	-	176,033
Total for program			203,496	265,097
Education Jobs Fund	84.410	FY 12-13	44,187	-
Total for federal grantor agency			3,837,131	3,282,661
Total federal awards expended			\$ 6,731,347	\$ 6,292,688

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 (SEFA) includes the federal grant activity of the 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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Subrecipients**

Of the federal expenditures presented in the SEFA, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2013 and 2014:

Program Title	Federal CFDA Number	2013	2014
Career and Technical Education - Basic Grants to States	84.048	<u>\$ 213,353</u>	<u>\$ 348,019</u>

**Note 3. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	<u>\$ 318,759</u>	<u>\$ 390,214</u>

**Note 4. Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative. As a result, some activity for the Special Education Cluster that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Special Education Cooperative.

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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
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:	Unmodified for all programs
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster
84.048	Career and Technical Education - Basic Grant to States
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$390,721

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The School Corporation does have a system of internal control in place to prevent and detect errors on the Schedule of Expenditures of Federal Awards (SEFA), although these controls were not always effective in detecting all misstatements. The SEFA presented for audit included several immaterial errors, the most significant of which were that the state match amounts for the National School Lunch Program were included in the federal expenditures and that the School Breakfast Program expenditures were included in the expenditures of the National School Lunch Program. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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

The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, misstatements of the SEFA could remain undetected.

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 2014-002 - CASH MANAGEMENT***

Federal Agency: U.S. Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: FY 12-13 and FY 13-14  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management compliance requirements that have a direct and material effect on the programs. There were no procedures established to ensure that the School Lunch fund cash balances were maintained in compliance with the Cash Management requirements. The failure to establish an effective internal control system allowed material noncompliance with the requirements.

The School Lunch fund cash balances were maintained at an amount in excess of three months average expenditures throughout the audit period of July 1, 2012 to June 30, 2014. At June 30, 2013, the School Lunch fund balance was \$5,555,781; 11.5 months of average expenditures for that fiscal year. At June 30, 2014, the School Lunch fund balance was \$5,882,080; 12.2 months of average expenditures for that fiscal year. The School Corporation indicated that they have a plan to spend down the excess cash balances; however, the plan was not yet implemented.

OMB Circular A-133, Subpart C, section .300 states in part:

"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."

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

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

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 § 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 failure to establish internal controls over the Cash Management requirements enabled material noncompliance to go undetected. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal funds.

We recommended that School Corporation officials establish controls, including segregation of duties, related to the grant agreement and the Cash Management compliance requirements that have a direct and material effect on the programs. In addition, we recommended that School Corporation officials comply with the applicable Cash Management requirements of the programs.

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#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



**Tippecanoe School Corporation**

21 Elston Road  
Lafayette, Indiana 47909-2899

November 12, 2014

State Board of Accounts

Re: Status of Section III Findings from the 2012 Audit

Finding 2012-02 Excessive Cash Balances

The TSC Director of Nutrition Services continues to spend funds to keep equipment updated and to fully staff all of our school cafeterias. The State Nutrition Division did not have a response to our Corrective Action Plan after the last audit. However, we were unable to submit our October 2014 reimbursement request until we provided Christina Herzog from DOE a plan to spend down the fund balance. Our Director of Nutrition Services responded to Ms. Herzog that we were spending \$1.2 million on equipment updates in the next month and would be purchasing equipment for two additional buildings in the next few months.

Finding 2012-3 Internal Controls over Reporting

I believe that we have resolved this issue. The TSC Director of Nutrition Services uses the TSC financial reports when submitting her report to the DOE.

Sincerely,

Kimberly J. Fox

Chief Financial Officer



**Tippecanoe School Corporation**

21 Elston Road  
Lafayette, Indiana 47909-2899  
**CORRECTIVE ACTION PLAN**

***FINDING 2014-001 Preparation of the Schedule of Expenditures of Federal Awards***

Contact Person Responsible for Corrective Action: Kimberly J. Fox  
Contact Phone Number: 765-474-2481

Description of Corrective Action Plan:

This was the first year for us to complete the SEFA. We have a much better understanding of the information we need to track for future submissions. The Deputy Treasurer and I will review all new grants with the SEFA in mind so that all required information is included in future reports.

Anticipated Completion Date: Immediately

***FINDING 2014-002 Cash Management***

Contact Person Responsible for Corrective Action: Kimberly J. Fox  
Contact Phone Number: 765-474-2481

The excess balance in the School Lunch Fund will be addressed with new capital expenditures and new staff. Battle Ground Intermediate School will be reopening in August of 2015. Nutrition Services will be providing all cafeteria equipment needed for the remodeled cafeteria. The estimated cost of the new equipment is \$360,000. Southwestern Middle School is in the process of a kitchen remodel also and all of the new equipment will be purchased by Nutrition Services. The estimated cost of the new equipment is \$238,000. Also, with the reopening of Battle Ground Intermediate School additional staff will need to be hired.

Also, the Tippecanoe School Corporation is planning on construction a warehouse on the property of the Wyandotte Elementary School. The majority of the warehouse will be for storage for Nutrition Services. The School Lunch Fund will be purchasing all of the freezers and other necessary equipment for their portion of this warehouse.

Anticipated Completion Date: Summer of 2015 for the kitchen equipment at Battle Ground Intermediate School and Southwestern Middle School. Fall of 2016 or spring of 2017 for the equipment for the new warehouse.

Kimberly J. Fox  
(Signature)

Chief Financial Officer / Treasurer  
(Title)

February 11, 2015  
(Date)

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.