

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

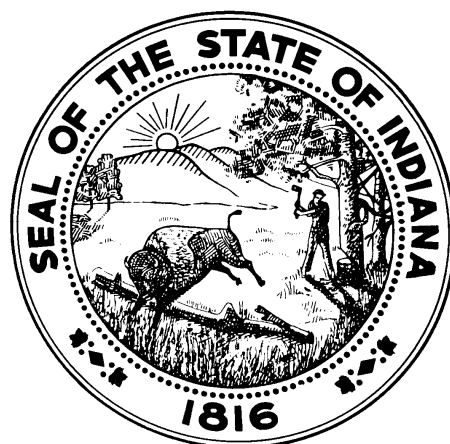
AUDIT REPORT

OF

TIPPECANOE SCHOOL CORPORATION

TIPPECANOE COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

06/23/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Mark Miller Kimberly J. Fox	07-01-04 to 09-21-07 11-01-07 to 06-30-09
Superintendent of Schools	Dr. Richard Wood Dr. Scott Hanback	07-01-06 to 06-30-08 07-01-08 to 06-30-11
President of the School Board	Alan R. Kemper Linda Y. Day Randy Bond	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tippecanoe School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 30, 2009, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 30, 2009



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tippecanoe School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in items 2008-1 and 2008-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2008-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-1.

We noted certain matters that we reported to management in a separate letter dated April 30, 2009.

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

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

STATE BOARD OF ACCOUNTS

April 30, 2009

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net Disbursements and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 46,988,738	\$ -	\$ 392,579	\$ (46,596,159)
Support services	39,200,068	3,122,635	1,497,419	(34,580,014)
Community services	809,964	-	-	(809,964)
Nonprogrammed charges	4,256,867	-	-	(4,256,867)
Debt service	<u>28,555,656</u>	<u>-</u>	<u>-</u>	<u>(28,555,656)</u>
Total government	<u>\$ 119,811,293</u>	<u>\$ 3,122,635</u>	<u>\$ 1,889,998</u>	<u>(114,798,660)</u>
General receipts:				
Property taxes				56,174,277
Other local sources				10,917,236
State aid				31,933,627
Bonds and loans				7,868,000
Grants and contributions not restricted to specific programs				2,332,248
Sale of property, adjustments, and refunds				364,583
Investment earnings				<u>2,107,867</u>
Total general receipts				<u>111,697,838</u>
Change in net assets				(3,100,822)
Net assets - beginning				<u>42,908,330</u>
Prior period adjustments - Correction of errors				<u>3,565,561</u>
Net assets - adjusted beginning				<u>46,473,891</u>
Net assets - ending				<u>\$ 43,373,069</u>
<u>Assets</u>				
Cash and investments				\$ 38,142,163
Restricted assets:				
Cash and investments				<u>5,230,906</u>
Total assets				<u>\$ 43,373,069</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 5,230,906
Unrestricted				<u>38,142,163</u>
Total net assets				<u>\$ 43,373,069</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net Disbursements and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 49,260,542	\$ -	\$ 980,474	\$ (48,280,068)
Support services	38,151,181	3,495,778	1,882,240	(32,773,163)
Community services	875,794	-	-	(875,794)
Nonprogrammed charges	5,117,314	-	-	(5,117,314)
Debt service	17,751,214	-	-	(17,751,214)
Total government	\$ 111,156,045	\$ 3,495,778	\$ 2,862,714	(104,797,553)
General receipts:				
Property taxes				33,479,821
Other local sources				5,817,199
State aid				33,068,900
Bonds and loans				9,500,000
Grants and contributions not restricted to specific programs				2,843,877
Sale of property, adjustments, and refunds				517,228
Investment earnings				1,535,263
Transfers				(55,142)
Total general receipts and transfers				86,707,146
Change in net assets				(18,090,407)
Net assets - beginning				43,373,069
Net assets - ending				\$ 25,282,662
<u>Assets</u>				
Cash and investments				\$ 24,659,594
Restricted assets:				
Cash and investments				623,068
Total assets				\$ 25,282,662
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 623,068
Unrestricted				24,659,594
Total net assets				\$ 25,282,662

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

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

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 33,925,026	\$ 4,655,074	\$ 2,395,793	\$ 12,423,176	\$ 15,783,852	\$ 1,082,474	\$ 1,933,314	\$ 72,198,709
Intermediate sources	125,901	-	-	-	-	-	3,188	129,089
State sources	32,292,273	-	53,929	-	-	-	629,981	32,976,183
Federal sources	-	-	1,314,399	-	-	-	1,859,508	3,173,907
Bonds and loans	7,000,000	-	-	-	-	-	868,000	7,868,000
Sale of property, adjustments and refunds	183,652	20,866	-	-	2,366	-	157,699	364,583
Interfund loans	4,000,000	-	-	-	-	1,200,000	-	5,200,000
Total receipts	77,526,852	4,675,940	3,764,121	12,423,176	15,786,218	2,282,474	5,451,690	121,910,471
Disbursements:								
Current:								
Instruction	44,797,250	-	-	-	-	-	2,191,488	46,988,738
Support services	13,174,313	4,645,580	3,202,404	-	14,614,918	1,286,149	2,276,704	39,200,068
Community services	717,266	-	-	-	-	-	92,698	809,964
Nonprogrammed charges	3,528,423	-	-	-	-	-	728,444	4,256,867
Debt services	15,045,900	-	-	13,509,756	-	-	-	28,555,656
Interfund loans	1,200,000	2,000,000	-	-	-	2,000,000	-	5,200,000
Total disbursements	78,463,152	6,645,580	3,202,404	13,509,756	14,614,918	3,286,149	5,289,334	125,011,293
Excess (deficiency) of receipts over disbursements	(936,300)	(1,969,640)	561,717	(1,086,580)	1,171,300	(1,003,675)	162,356	(3,100,822)
Other financing sources (uses):								
Transfers in	455,613	30,326	-	89,062	81,672	10,619	61,585	728,877
Transfers out	-	-	-	(14,222)	-	-	(714,655)	(728,877)
Total other financing sources (uses)	455,613	30,326	-	74,840	81,672	10,619	(653,070)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(480,687)	(1,939,314)	561,717	(1,011,740)	1,252,972	(993,056)	(490,714)	(3,100,822)
Cash and investments - beginning	7,894,209	3,959,775	1,852,549	6,242,646	17,103,709	1,592,282	4,263,160	42,908,330
Prior period adjustments - corrections of errors	3,457,232	-	-	-	-	-	108,329	3,565,561
Adjusted cash and investments - beginning	11,351,441	3,959,775	1,852,549	6,242,646	17,103,709	1,592,282	4,371,489	46,473,891
Cash and investments - ending	\$ 10,870,754	\$ 2,020,461	\$ 2,414,266	\$ 5,230,906	\$ 18,356,681	\$ 599,226	\$ 3,880,775	\$ 43,373,069
Cash and Investment Assets - Ending								
Cash and investments	\$ 10,870,754	\$ 2,020,461	\$ 2,414,266	\$ -	\$ 18,356,681	\$ 599,226	\$ 3,880,775	\$ 38,142,163
Restricted assets:								
Cash and investments	-	-	-	5,230,906	-	-	-	5,230,906
Total cash and investment assets - ending	\$ 10,870,754	\$ 2,020,461	\$ 2,414,266	\$ 5,230,906	\$ 18,356,681	\$ 599,226	\$ 3,880,775	\$ 43,373,069
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 5,230,906	\$ -	\$ -	\$ -	\$ 5,230,906
Unrestricted	10,870,754	2,020,461	2,414,266	-	18,356,681	599,226	3,880,775	38,142,163
Total cash and investment fund balance - ending	\$ 10,870,754	\$ 2,020,461	\$ 2,414,266	\$ 5,230,906	\$ 18,356,681	\$ 599,226	\$ 3,880,775	\$ 43,373,069

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

TIPPECANOE SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 20,958,625	\$ 3,060,373	\$ 2,515,429	\$ 6,311,962	\$ 8,218,905	\$ 816,112	\$ 2,363,428	\$ 44,244,834
Intermediate sources	95,583	-	-	-	-	-	3,375	98,958
State sources	34,144,518	48,181	55,155	-	114,481	-	936,400	35,298,735
Federal sources	-	-	1,473,578	-	-	-	1,987,448	3,461,026
Bonds and loans	9,500,000	-	-	-	-	-	-	9,500,000
Sale of property, adjustments and refunds	55,421	18,536	-	-	33,167	-	410,103	517,227
Interfund loans	6,700,000	500,000	-	-	-	1,200,000	-	8,400,000
Total receipts	71,454,147	3,627,090	4,044,162	6,311,962	8,366,553	2,016,112	5,700,754	101,520,780
Disbursements:								
Current:								
Instruction	46,852,523	-	-	-	-	-	2,408,019	49,260,542
Support services	15,800,930	5,404,130	3,478,507	-	9,648,354	1,350,456	2,468,804	38,151,181
Community services	771,079	-	-	-	-	-	104,715	875,794
Nonprogrammed charges	4,552,387	-	-	-	-	-	564,927	5,117,314
Debt services	7,000,000	-	-	10,751,214	-	-	-	17,751,214
Interfund loans	1,200,000	-	-	-	6,000,000	1,200,000	-	8,400,000
Total disbursements	76,176,919	5,404,130	3,478,507	10,751,214	15,648,354	2,550,456	5,546,465	119,556,045
Excess (deficiency) of receipts over disbursements	(4,722,772)	(1,777,040)	565,655	(4,439,252)	(7,281,801)	(534,344)	154,289	(18,035,265)
Other financing sources (uses):								
Transfers in	292,767	41,816	239,099	93,950	116,120	11,305	358,156	1,153,213
Transfers out	(264,070)	-	(239,099)	(262,536)	-	(11,375)	(431,275)	(1,208,355)
Total other financing sources (uses)	28,697	41,816	-	(168,586)	116,120	(70)	(73,119)	(55,142)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,694,075)	(1,735,224)	565,655	(4,607,838)	(7,165,681)	(534,414)	81,170	(18,090,407)
Cash and investments - beginning	10,870,754	2,020,461	2,414,266	5,230,906	18,356,681	599,226	3,880,775	43,373,069
Cash and investments - ending	\$ 6,176,679	\$ 285,237	\$ 2,979,921	\$ 623,068	\$ 11,191,000	\$ 64,812	\$ 3,961,945	\$ 25,282,662
Cash and Investment Assets - Ending								
Cash and investments	\$ 6,176,679	\$ 285,237	\$ 2,979,921	\$ -	\$ 11,191,000	\$ 64,812	\$ 3,961,945	\$ 24,659,594
Restricted assets:								
Cash and investments	-	-	-	623,068	-	-	-	623,068
Total cash and investment assets - ending	\$ 6,176,679	\$ 285,237	\$ 2,979,921	\$ 623,068	\$ 11,191,000	\$ 64,812	\$ 3,961,945	\$ 25,282,662
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 623,068	\$ -	\$ -	\$ -	\$ 623,068
Unrestricted	6,176,679	285,237	2,979,921	-	11,191,000	64,812	3,961,945	24,659,594
Total cash and investment fund balance - ending	\$ 6,176,679	\$ 285,237	\$ 2,979,921	\$ 623,068	\$ 11,191,000	\$ 64,812	\$ 3,961,945	\$ 25,282,662

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Investment earnings:		
Interest	\$ -	\$ 74
Total additions	<u>-</u>	<u>74</u>
Deductions:		
Administrative and general	<u>-</u>	<u>505</u>
Total deductions	<u>-</u>	<u>505</u>
Deficiency of total additions over total deductions	-	(431)
Cash and investment fund balance - beginning	<u>109,275</u>	<u>3,646</u>
Prior period adjustment - correction of error	<u>(109,275)</u>	<u>-</u>
Adjusted cash and investment fund balance - beginning	<u>-</u>	<u>3,646</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 3,215</u>
Net assets:		
Cash and investments	<u>\$ -</u>	<u>\$ 3,215</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 3,215</u>

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

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

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>500</u>
Investment earnings:	
Interest	<u>128</u>
Total additions	<u>628</u>
Deductions:	
Administrative and general	<u>500</u>
Excess of total additions over total deductions	128
Cash and investment fund balance - beginning	<u>3,215</u>
Cash and investment fund balance - ending	<u><u>\$ 3,343</u></u>
Net assets:	
Cash and investments	<u>\$ 3,343</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 3,343</u></u>

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

These financial statements present the School Corporation (primary government). There are no significant component units which require inclusion.

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

Joint Venture

The School Corporation is a participant with Area Vocation Education District 19 consisting of Benton Community School Corporation, Clinton Central School Corporation, Clinton Prairie School Corporation, Community Schools of Frankfort, Rossville Consolidated School District, Lafayette School Corporation, Tippecanoe School Corporation and West Lafayette Community School Corporation in a joint venture to operate the Wildcat Creek Career Co-operative which was created to provide vocational instruction for handicapped students. The Wildcat Creek Area Vocational Co-op's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Wildcat Creek Area Vocational Co-op can be obtained from Tippecanoe School Corporation, 21 Elston Road, Lafayette, IN 47905.

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

Related Organizations

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

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

The school lunch fund accounts for the financial resources for providing of breakfast and lunch to school children.

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

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

Additionally, the School Corporation reports the following fund types:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students of Tippecanoe County School Corporation through scholarships.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes normally may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. Due to reassessment, taxes were due May 31 and November 13 in 2007 and one payment of the total taxes was due December 1, 2008. All property taxes collected in 2006 by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31. Taxes collected in 2007 and 2008 were not all distributed on or prior to December 31 of each year.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as support services disbursements of the fund upon acquisition.

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$14,796,932.

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

2. Investments

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Repurchase agreements	\$ 12,930,000

Statutory Authorization for Investments

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of,

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

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

The following investments held by the School Corporation were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Primary Government:

Investment Type	2008	
	In the Government's Name	Not in the Government's Name
Repurchase agreements	\$ -	\$ 12,930,000

Interest Rate Risk

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

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Repurchase agreements	\$ 12,930,000	\$ -	\$ -

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

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

Foreign Currency Risk

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

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
General Fund	Debt Service	\$ -	\$ 93,950
	Capital Projects	-	116,120
	School Bus Replacement	-	11,305
	Transportation Operating	-	41,816
	Other governmental funds	-	879
School Lunch	School Lunch	-	239,099
Debt Service	Other governmental funds	14,222	262,536
School Bus Replacement	Other governmental funds	-	11,375
Other governmental funds	General Fund	455,613	292,767
	Debt Service	89,062	-
	Capital Projects	81,672	-
	School Bus Replacement	10,619	-
	Transportation Operating	30,326	-
	Other governmental funds	47,363	83,366
	Totals		728,877
Items transferred but not receipted until subsequent year:			
Other governmental funds	General Fund	-	55,142
Totals		<u>\$ 728,877</u>	<u>\$ 1,208,355</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent a correction of an error.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Opinion Unit	Balance as Reported June 30, 2006	Prior Period Adjustments	Balance as Restated July 1, 2006
Pension Trust funds	\$ 109,275	\$ (109,275)	\$ -
Governmental activities	42,908,330	3,565,561	46,473,891
General Fund	7,894,209	3,457,232	11,351,441
Other governmental funds	4,263,160	108,329	4,371,489

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporations

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

The School Corporation has entered into a capital lease with Tippecanoe County NMSE School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. The first lease payment of \$3,071,000 was due on January 15, 2009.

The School Corporation has entered into a capital lease with Wea Ridge Middle School Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$3,481,000.

The School Corporation has entered into a capital lease with 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 during the year totaled \$458,000. This lease has been paid in full.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Subsequent Events

The School Corporation entered a contract on November 12, 2008, to purchase twelve school buses for a cost of \$1,100,000 less \$89,000 for trade value on deleted buses.

The School Corporation also approved the sale of \$1,990,000 in General Obligation Bonds on November 12, 2008, for the improvement and renovation of Klondike Elementary School.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. Currently, 61 employees meet these eligibility requirements. Eligible people who retired between 2004-07 have the option of receiving \$3,550 applied toward the premium of single health plan insurance coverage with the School Corporation, or a cash payment of \$3,550 (for the school year). For eligible people who will retire between 2008 and 2010 the amount of benefit is \$3,250. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$215,650 were recognized for post-employment benefits.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plans

	PERF
Annual required contribution	\$ 342,844
Interest on net pension obligation	(21,621)
Adjustment to annual required contribution	24,638
Annual pension cost	345,861
Contributions made	381,652
Decrease in net pension obligation	(35,791)
Net pension obligation, beginning of year	(298,216)
Net pension obligation, end of year	\$ (334,007)

	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 343,884	90%	\$ (329,174)
	06-30-07	358,461	91%	(298,216)
	06-30-08	345,861	110%	(334,007)

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

Teachers' Retirement Fund

Plan Description

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

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

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$1,574,745, \$1,313,085, and \$1,163,360, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

TIPPECANOE SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 4,655,923	\$ 4,951,424	\$ (295,501)	94%	\$ 5,244,475	(6%)
07-01-07	5,005,986	5,024,888	(18,902)	100%	5,197,538	(0%)
07-01-08	5,723,035	6,100,151	(377,116)	94%	5,788,464	(7%)

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

	Pre-School Special Education	Rainy Day	Post-Retirement	Textbook Rental	Levy Excess	Wildcat Creek Area Vocational Co-op #19
Receipts:						
Local sources	\$ 101,292	\$ -	\$ -	\$ 1,082,188	\$ 44,233	\$ 365,328
Intermediate sources	-	-	-	-	-	-
State sources	364,508	-	-	129,091	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	144,175	-	-	-	2,177
Total receipts	465,800	144,175	-	1,211,279	44,233	367,505
Disbursements:						
Current:						
Instruction	-	507,668	-	-	-	345,293
Support services	-	-	-	1,061,123	-	14,309
Community services	-	-	-	-	-	-
Nonprogrammed charges	459,736	-	-	-	-	-
Total disbursements	459,736	507,668	-	1,061,123	-	359,602
Excess (deficiency) of receipts over disbursements	6,064	(363,493)	-	150,156	44,233	7,903
Other financing sources (uses):						
Transfers in	657	14,222	-	-	-	-
Transfers out	-	-	-	-	(404,555)	-
Total other financing sources (uses)	657	14,222	-	-	(404,555)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,721	(349,271)	-	150,156	(360,322)	7,903
Cash and investments - beginning	85,630	984,256	109,275	527,293	404,555	87,580
Prior period adjustments - corrections of errors	-	12,829	-	-	-	-
Adjusted cash and investments - beginning	85,630	997,085	109,275	527,293	404,555	87,580
Cash and investments - ending	\$ 92,351	\$ 647,814	\$ 109,275	\$ 677,449	\$ 44,233	\$ 95,483
Cash and Investment Assets - Ending						
Cash and investments	\$ 92,351	\$ 647,814	\$ 109,275	\$ 677,449	\$ 44,233	\$ 95,483
Total cash and investment assets - ending	\$ 92,351	\$ 647,814	\$ 109,275	\$ 677,449	\$ 44,233	\$ 95,483
Cash and Investment Fund Balance - Ending						
Restricted for:						
Unrestricted	\$ 92,351	\$ 647,814	\$ 109,275	\$ 677,449	\$ 44,233	\$ 95,483
Total cash and investment fund balance - ending	\$ 92,351	\$ 647,814	\$ 109,275	\$ 677,449	\$ 44,233	\$ 95,483

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

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

	Perkins Grant 2007-08	Education License	Alternative Education	Safe Haven Grant 2007-08	Early Intervention Grant	Donations and Gifts
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	3,188	-	-	-	-
State sources	-	-	46,229	37,694	2,000	-
Federal sources	366,106	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	4,000
Total receipts	366,106	3,188	46,229	37,694	2,000	4,000
Disbursements:						
Current:						
Instruction	73,026	-	1,274	-	2,000	560
Support services	-	-	-	32,786	-	-
Community services	-	-	-	-	-	1,500
Nonprogrammed charges	266,270	2,438	-	-	-	-
Total disbursements	339,296	2,438	1,274	32,786	2,000	2,060
Excess (deficiency) of receipts over disbursements	26,810	750	44,955	4,908	-	1,940
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(44,429)	-	-	-
Total other financing sources (uses)	-	-	(44,429)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,810	750	526	4,908	-	1,940
Cash and investments - beginning	492	4,297	9,579	-	-	1,682
Prior period adjustments - corrections of errors	-	-	-	-	-	-
Adjusted cash and investments - beginning	492	4,297	9,579	-	-	1,682
Cash and investments - ending	\$ 27,302	\$ 5,047	\$ 10,105	\$ 4,908	\$ -	\$ 3,622
Cash and Investment Assets - Ending						
Cash and investments	\$ 27,302	\$ 5,047	\$ 10,105	\$ 4,908	\$ -	\$ 3,622
Total cash and investment assets - ending	\$ 27,302	\$ 5,047	\$ 10,105	\$ 4,908	\$ -	\$ 3,622
Cash and Investment Fund Balance - Ending						
Restricted for:						
Unrestricted	\$ 27,302	\$ 5,047	\$ 10,105	\$ 4,908	\$ -	\$ 3,622
Total cash and investment fund balance - ending	\$ 27,302	\$ 5,047	\$ 10,105	\$ 4,908	\$ -	\$ 3,622

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

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

	Benjamin Crossing	Enrichment of Staff Grant	Summer Camps	Recreational Swim	TSC Awards Dinner	Retired Employee
Receipts:						
Local sources	\$ -	\$ 6,158	\$ 39,258	\$ 11,429	\$ -	\$ 182,830
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	1,000	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	6,158	39,258	11,429	1,000	182,830
Disbursements:						
Current:						
Instruction	-	5,932	3,095	796	-	182,830
Support services	5,919	-	-	-	1,000	-
Community services	-	-	40,465	10,396	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	5,919	5,932	43,560	11,192	1,000	182,830
Excess (deficiency) of receipts over disbursements	(5,919)	226	(4,302)	237	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,919)	226	(4,302)	237	-	-
Cash and investments - beginning	22,000	1	4,919	5,408	-	-
Prior period adjustments - corrections of errors	-	-	-	-	-	-
Adjusted cash and investments - beginning	22,000	1	4,919	5,408	-	-
Cash and investments - ending	\$ 16,081	\$ 227	\$ 617	\$ 5,645	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 16,081	\$ 227	\$ 617	\$ 5,645	\$ -	\$ -
Total cash and investment assets - ending	\$ 16,081	\$ 227	\$ 617	\$ 5,645	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Unrestricted	\$ 16,081	\$ 227	\$ 617	\$ 5,645	\$ -	\$ -
Total cash and investment fund balance - ending	\$ 16,081	\$ 227	\$ 617	\$ 5,645	\$ -	\$ -

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

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

	Next Grant	Gifted and Talented Grant 2007-08	Workforce Development Grant	Economic Education Grant	Non-English Speaking Grant	Technology Plan Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	29,811	10,345	-	5,903	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	29,811	10,345	-	5,903	-
Disbursements:						
Current:						
Instruction	77	27,305	18,545	534	373	880
Support services	-	3,916	-	-	-	20,824
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	77	31,221	18,545	534	373	21,704
Excess (deficiency) of receipts over disbursements	(77)	(1,410)	(8,200)	(534)	5,530	(21,704)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(10)	-	-	(5,368)	-
Total other financing sources (uses)	-	(10)	-	-	(5,368)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(77)	(1,420)	(8,200)	(534)	162	(21,704)
Cash and investments - beginning	77	2,959	8,200	534	838	21,704
Prior period adjustments - corrections of errors	-	-	-	-	-	-
Adjusted cash and investments - beginning	77	2,959	8,200	534	838	21,704
Cash and investments - ending	\$ -	\$ 1,539	\$ -	\$ -	\$ 1,000	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,539	\$ -	\$ -	\$ 1,000	\$ -
Total cash and investment assets - ending	\$ -	\$ 1,539	\$ -	\$ -	\$ 1,000	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Unrestricted	\$ -	\$ 1,539	\$ -	\$ -	\$ 1,000	\$ -
Total cash and investment fund balance - ending	\$ -	\$ 1,539	\$ -	\$ -	\$ 1,000	\$ -

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

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

	Chautauqua Grant	Cultural Competence Grant	Gateway to Technology Grant	Canal Trek Grant	Title I Grant 2007-08
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	3,400	-	-
Federal sources	-	-	-	-	1,023,017
Bonds and loans	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	-	3,400	-	1,023,017
Disbursements:					
Current:					
Instruction	-	2,214	2,546	-	801,768
Support services	-	-	7,854	430	130,475
Community services	-	-	-	-	40,337
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	2,214	10,400	430	972,580
Excess (deficiency) of receipts over disbursements	-	(2,214)	(7,000)	(430)	50,437
Other financing sources (uses):					
Transfers in	-	-	-	-	39,728
Transfers out	(108)	-	-	-	(48,045)
Total other financing sources (uses)	(108)	-	-	-	(8,317)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(108)	(2,214)	(7,000)	(430)	42,120
Cash and investments - beginning	108	2,214	7,000	430	60,830
Prior period adjustments - corrections of errors	-	-	-	-	52,181
Adjusted cash and investments - beginning	108	2,214	7,000	430	113,011
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 155,131
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 155,131
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ 155,131
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 155,131
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 155,131

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

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

	Title V Grant 2007-08	Drug Free Schools Grant	Nutritional Grant	Title II Grant	Title II-D Grant 2006-07
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	17,500	33,830	-	321,157	15,978
Bonds and loans	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>17,500</u>	<u>33,830</u>	<u>-</u>	<u>321,157</u>	<u>15,978</u>
Disbursements:					
Current:					
Instruction	14,645	6,009	-	192,618	-
Support services	-	28,965	75	12,666	15,120
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>14,645</u>	<u>34,974</u>	<u>75</u>	<u>205,284</u>	<u>15,120</u>
Excess (deficiency) of receipts over disbursements	<u>2,855</u>	<u>(1,144)</u>	<u>(75)</u>	<u>115,873</u>	<u>858</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	6,978
Transfers out	(2,742)	(1,186)	-	(124,812)	(6,978)
Total other financing sources (uses)	<u>(2,742)</u>	<u>(1,186)</u>	<u>-</u>	<u>(124,812)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>113</u>	<u>(2,330)</u>	<u>(75)</u>	<u>(8,939)</u>	<u>858</u>
Cash and investments - beginning	<u>-</u>	<u>8,036</u>	<u>75</u>	<u>18,365</u>	<u>13,283</u>
Prior period adjustments - corrections of errors	<u>-</u>	<u>3,557</u>	<u>-</u>	<u>39,762</u>	<u>-</u>
Adjusted cash and investments - beginning	<u>-</u>	<u>11,593</u>	<u>75</u>	<u>58,127</u>	<u>13,283</u>
Cash and investments - ending	<u>\$ 113</u>	<u>\$ 9,263</u>	<u>\$ -</u>	<u>\$ 49,188</u>	<u>\$ 14,141</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 113</u>	<u>\$ 9,263</u>	<u>\$ -</u>	<u>\$ 49,188</u>	<u>\$ 14,141</u>
Total cash and investment assets - ending	<u>\$ 113</u>	<u>\$ 9,263</u>	<u>\$ -</u>	<u>\$ 49,188</u>	<u>\$ 14,141</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Unrestricted	<u>\$ 113</u>	<u>\$ 9,263</u>	<u>\$ -</u>	<u>\$ 49,188</u>	<u>\$ 14,141</u>
Total cash and investment fund balance - ending	<u>\$ 113</u>	<u>\$ 9,263</u>	<u>\$ -</u>	<u>\$ 49,188</u>	<u>\$ 14,141</u>

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

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

	Title III Grant FY '06, '07, '08	Hurricane Recovery Grant	Construction 2004	Construction 2006	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 73,035	\$ 27,563	\$ 1,933,314
Intermediate sources	-	-	-	-	3,188
State sources	-	-	-	-	629,981
Federal sources	81,420	500	-	-	1,859,508
Bonds and loans	-	-	-	868,000	868,000
Sale of property, adjustments and refunds	-	-	-	7,347	157,699
Total receipts	81,420	500	73,035	902,910	5,451,690
Disbursements:					
Current:					
Instruction	-	1,500	-	-	2,191,488
Support services	1,564	-	939,678	-	2,276,704
Community services	-	-	-	-	92,698
Nonprogrammed charges	-	-	-	-	728,444
Total disbursements	1,564	1,500	939,678	-	5,289,334
Excess (deficiency) of receipts over disbursements	79,856	(1,000)	(866,643)	902,910	162,356
Other financing sources (uses):					
Transfers in	-	-	-	-	61,585
Transfers out	(76,422)	-	-	-	(714,655)
Total other financing sources (uses)	(76,422)	-	-	-	(653,070)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,434	(1,000)	(866,643)	902,910	(490,714)
Cash and investments - beginning	134	1,000	1,870,406	-	4,263,160
Prior period adjustments - corrections of errors	-	-	-	-	108,329
Adjusted cash and investments - beginning	134	1,000	1,870,406	-	4,371,489
Cash and investments - ending	\$ 3,568	\$ -	\$ 1,003,763	\$ 902,910	\$ 3,880,775
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 3,568	\$ -	\$ 1,003,763	\$ 902,910	\$ 3,880,775
Total cash and investment assets - ending	\$ 3,568	\$ -	\$ 1,003,763	\$ 902,910	\$ 3,880,775
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Unrestricted	\$ 3,568	\$ -	\$ 1,003,763	\$ 902,910	\$ 3,880,775
Total cash and investment fund balance - ending	\$ 3,568	\$ -	\$ 1,003,763	\$ 902,910	\$ 3,880,775

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Pre-School Special Education	Rainy Day	Post-Retirement	Textbook Rental	Levy Excess	Wildcat Creek Area Vocational Co-op #19	Perkins Grant 2007-08
Receipts:							
Local sources	\$ 60,883	\$ -	\$ -	\$ 956,700	\$ 667,129	\$ 307,078	\$ 5,313
Intermediate sources	-	-	-	-	-	-	-
State sources	349,560	-	-	346,580	-	-	-
Federal sources	-	-	-	-	-	-	357,517
Sale of property, adjustments and refunds	-	373,138	-	-	-	6,000	-
Total receipts	410,443	373,138	-	1,303,280	667,129	313,078	362,830
Disbursements:							
Current:							
Instruction	-	555,341	-	-	-	294,621	309,096
Support services	-	-	-	921,777	26,580	14,550	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	498,739	-	-	-	-	-	60,052
Total disbursements	498,739	555,341	-	921,777	26,580	309,171	369,148
Excess (deficiency) of receipts over disbursements	(88,296)	(182,203)	-	381,503	640,549	3,907	(6,318)
Other financing sources (uses):							
Transfers in	878	273,911	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	878	273,911	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(87,418)	91,708	-	381,503	640,549	3,907	(6,318)
Cash and investments - beginning	92,351	647,814	109,275	677,449	44,233	95,483	27,302
Cash and investments - ending	<u>\$ 4,933</u>	<u>\$ 739,522</u>	<u>\$ 109,275</u>	<u>\$ 1,058,952</u>	<u>\$ 684,782</u>	<u>\$ 99,390</u>	<u>\$ 20,984</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 4,933</u>	<u>\$ 739,522</u>	<u>\$ 109,275</u>	<u>\$ 1,058,952</u>	<u>\$ 684,782</u>	<u>\$ 99,390</u>	<u>\$ 20,984</u>
Total cash and investment assets - ending	<u>\$ 4,933</u>	<u>\$ 739,522</u>	<u>\$ 109,275</u>	<u>\$ 1,058,952</u>	<u>\$ 684,782</u>	<u>\$ 99,390</u>	<u>\$ 20,984</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 4,933</u>	<u>\$ 739,522</u>	<u>\$ 109,275</u>	<u>\$ 1,058,952</u>	<u>\$ 684,782</u>	<u>\$ 99,390</u>	<u>\$ 20,984</u>
Total cash and investment fund balance - ending	<u>\$ 4,933</u>	<u>\$ 739,522</u>	<u>\$ 109,275</u>	<u>\$ 1,058,952</u>	<u>\$ 684,782</u>	<u>\$ 99,390</u>	<u>\$ 20,984</u>

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Moving Forward Grant	Project Lead the Way	Education License	Alternative Education	Safe Haven Grant 2007-08	Early Intervention Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	3,375	-	-	-
State sources	-	-	-	42,817	24,538	2,000
Federal sources	15,190	20,000	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	15,190	20,000	3,375	42,817	24,538	2,000
Disbursements:						
Current:						
Instruction	11,088	18,663	-	959	-	-
Support services	-	-	2,081	-	29,446	2,000
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	6,136	-	-	-
Total disbursements	11,088	18,663	8,217	959	29,446	2,000
Excess (deficiency) of receipts over disbursements	4,102	1,337	(4,842)	41,858	(4,908)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(51,963)	-	-
Total other financing sources (uses)	-	-	-	(51,963)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,102	1,337	(4,842)	(10,105)	(4,908)	-
Cash and investments - beginning	-	-	5,047	10,105	4,908	-
Cash and investments - ending	<u>\$ 4,102</u>	<u>\$ 1,337</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 4,102</u>	<u>\$ 1,337</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 4,102</u>	<u>\$ 1,337</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 4,102</u>	<u>\$ 1,337</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 4,102</u>	<u>\$ 1,337</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Donations and Gifts	Benjamin Crossing	Enrichment of Staff Grant	Map It for Students	Summer Camps	Recreational Swim
Receipts:						
Local sources	\$ -	\$ -	\$ 3,052	\$ 9,930	\$ 50,376	\$ 5,801
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	6,990	-	-	-	-	-
Total receipts	6,990	-	3,052	9,930	50,376	5,801
Disbursements:						
Current:						
Instruction	-	-	2,422	-	1,044	814
Support services	4,990	11,625	-	-	-	-
Community services	2,000	-	-	-	43,539	10,632
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	6,990	11,625	2,422	-	44,583	11,446
Excess (deficiency) of receipts over disbursements	-	(11,625)	630	9,930	5,793	(5,645)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,625)	630	9,930	5,793	(5,645)
Cash and investments - beginning	3,622	16,081	227	-	617	5,645
Cash and investments - ending	<u>\$ 3,622</u>	<u>\$ 4,456</u>	<u>\$ 857</u>	<u>\$ 9,930</u>	<u>\$ 6,410</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 3,622</u>	<u>\$ 4,456</u>	<u>\$ 857</u>	<u>\$ 9,930</u>	<u>\$ 6,410</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 3,622</u>	<u>\$ 4,456</u>	<u>\$ 857</u>	<u>\$ 9,930</u>	<u>\$ 6,410</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 3,622</u>	<u>\$ 4,456</u>	<u>\$ 857</u>	<u>\$ 9,930</u>	<u>\$ 6,410</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 3,622</u>	<u>\$ 4,456</u>	<u>\$ 857</u>	<u>\$ 9,930</u>	<u>\$ 6,410</u>	<u>\$ -</u>

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	TSC Awards Dinner	Wood's Scholars	Retired Employee	EPICS	Gifted and Talented Grant 2007-08	Economic Education Grant
Receipts:						
Local sources	\$ -	\$ -	\$ 238,275	\$ 9,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	1,217	1,600	-	-	75,558	1,000
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	1,217	1,600	238,275	9,000	75,558	1,000
Disbursements:						
Current:						
Instruction	-	-	128,433	9,000	28,884	1,000
Support services	1,217	-	109,842	-	5,220	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,217	-	238,275	9,000	34,104	1,000
Excess (deficiency) of receipts over disbursements	-	1,600	-	-	41,454	-
Other financing sources (uses):						
Transfers in	-	22,175	-	-	-	-
Transfers out	-	-	-	-	(16,575)	-
Total other financing sources (uses)	-	22,175	-	-	(16,575)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	23,775	-	-	24,879	-
Cash and investments - beginning	-	-	-	-	1,539	-
Cash and investments - ending	\$ -	\$ 23,775	\$ -	\$ -	\$ 26,418	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 23,775	\$ -	\$ -	\$ 26,418	\$ -
Total cash and investment assets - ending	\$ -	\$ 23,775	\$ -	\$ -	\$ 26,418	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ 23,775	\$ -	\$ -	\$ 26,418	\$ -
Total cash and investment fund balance - ending	\$ -	\$ 23,775	\$ -	\$ -	\$ 26,418	\$ -

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Non-English Speaking Grant	Unidentified Funds	Title I Grant 2007-08	Title I School Improvement	Title V Grant 2007-08	Drug Free Schools Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	91,530	-	-	-	-	-
Federal sources	-	-	1,132,605	28,478	17,342	33,699
Sale of property, adjustments and refunds	-	23,975	-	-	-	-
Total receipts	91,530	23,975	1,132,605	28,478	17,342	33,699
Disbursements:						
Current:						
Instruction	6,582	1,500	816,705	24,375	14,640	1,552
Support services	-	-	259,489	-	-	31,758
Community services	-	-	48,544	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	6,582	1,500	1,124,738	24,375	14,640	33,310
Excess (deficiency) of receipts over disbursements	84,948	22,475	7,867	4,103	2,702	389
Other financing sources (uses):						
Transfers in	-	-	61,192	-	-	-
Transfers out	(84,626)	(22,175)	(81,192)	-	-	-
Total other financing sources (uses)	(84,626)	(22,175)	(20,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	322	300	(12,133)	4,103	2,702	389
Cash and investments - beginning	1,000	-	155,131	-	113	9,263
Cash and investments - ending	<u>\$ 1,322</u>	<u>\$ 300</u>	<u>\$ 142,998</u>	<u>\$ 4,103</u>	<u>\$ 2,815</u>	<u>\$ 9,652</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,322	\$ 300	\$ 142,998	\$ 4,103	\$ 2,815	\$ 9,652
Total cash and investment assets - ending	\$ 1,322	\$ 300	\$ 142,998	\$ 4,103	\$ 2,815	\$ 9,652
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 1,322	\$ 300	\$ 142,998	\$ 4,103	\$ 2,815	\$ 9,652
Total cash and investment fund balance - ending	\$ 1,322	\$ 300	\$ 142,998	\$ 4,103	\$ 2,815	\$ 9,652

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Grant	Title II-D Grant 2006-07	Title III Grant FY '06, '07, '08	Construction 2004	Construction 2006	Totals
Receipts:						
Local sources	\$ -	\$ 426	\$ -	\$ 12,161	\$ 37,304	\$ 2,363,428
Intermediate sources	-	-	-	-	-	3,375
State sources	-	-	-	-	-	936,400
Federal sources	330,847	-	51,770	-	-	1,987,448
Sale of property, adjustments and refunds	-	-	-	-	-	410,103
Total receipts	330,847	426	51,770	12,161	37,304	5,700,754
Disbursements:						
Current:						
Instruction	181,300	-	-	-	-	2,408,019
Support services	14,634	14,567	3,104	1,015,924	-	2,468,804
Community services	-	-	-	-	-	104,715
Nonprogrammed charges	-	-	-	-	-	564,927
Total disbursements	195,934	14,567	3,104	1,015,924	-	5,546,465
Excess (deficiency) of receipts over disbursements	134,913	(14,141)	48,666	(1,003,763)	37,304	154,289
Other financing sources (uses):						
Transfers in	-	-	-	-	-	358,156
Transfers out	(126,067)	-	(48,677)	-	-	(431,275)
Total other financing sources (uses)	(126,067)	-	(48,677)	-	-	(73,119)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,846	(14,141)	(11)	(1,003,763)	37,304	81,170
Cash and investments - beginning	49,188	14,141	3,568	1,003,763	902,910	3,880,775
Cash and investments - ending	<u>\$ 58,034</u>	<u>\$ -</u>	<u>\$ 3,557</u>	<u>\$ -</u>	<u>\$ 940,214</u>	<u>\$ 3,961,945</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 58,034</u>	<u>\$ -</u>	<u>\$ 3,557</u>	<u>\$ -</u>	<u>\$ 940,214</u>	<u>\$ 3,961,945</u>
Total cash and investment assets - ending	<u>\$ 58,034</u>	<u>\$ -</u>	<u>\$ 3,557</u>	<u>\$ -</u>	<u>\$ 940,214</u>	<u>\$ 3,961,945</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 58,034</u>	<u>\$ -</u>	<u>\$ 3,557</u>	<u>\$ -</u>	<u>\$ 940,214</u>	<u>\$ 3,961,945</u>
Total cash and investment fund balance - ending	<u>\$ 58,034</u>	<u>\$ -</u>	<u>\$ 3,557</u>	<u>\$ -</u>	<u>\$ 940,214</u>	<u>\$ 3,961,945</u>

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

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

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Wea Ridge Middle School	\$ 20,695,000	\$ 3,703,300
Harrison High School and East Tipp Middle School	21,225,000	3,751,662
Woodland Elementary School and Battle Ground Middle School	66,935,000	3,071,000
Bonds payable:		
General obligation bonds:		
School Renovation	<u>1,045,000</u>	<u>1,060,675</u>
Total governmental activities debt	<u>\$ 109,900,000</u>	<u>\$ 11,586,637</u>

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS - INCORRECT CUTOFF OF PAYROLL DISBURSEMENTS

The School Corporation issues and posts the disbursements for payroll checks and direct deposits for certified personnel (teachers) in June but retains control of the check and does not initiate the direct deposit until the established pay dates in the subsequent July and August. The June 30, 2006, June 30, 2007, and June 30, 2008, cash balances were understated by \$3,565,561.35, \$3,968,718.20, and \$4,244,123.77, respectively, due to this practice. Also, disbursements for salaries and wages were overstated by \$403,156.85 for the 2006-2007 fiscal year and \$275,405.57 for the 2007-2008 fiscal year.

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)

INTERNAL CONTROLS - DEFICIENCIES OVER RECEIPTS (Applies to all Extra-Curricular Accounts)

Receipts are the documentation of the transfer of funds from one individual to another. When issued at the moment of the transfer, they document the accountability of all parties involved as to the timeliness of the remittance, the amount remitted, and the posting of the accounting records. Any discrepancies between the supporting documentation and the actual funds remitted can be resolved immediately with both parties in agreement.

Deficiencies noted over the receipting of collections by the Extra-Curricular Treasurers were:

1. Checks received were not restrictively endorsed upon receipt.
2. Collections were not recorded and deposited timely. We could not determine if individuals collecting the money were remitting such collections timely or if Extra-Curricular Treasurers were not recording and depositing timely.
3. Individuals did not remain during the recounting of the collections brought to the Extra-Curricular Treasurer and did not receive a receipt at that time or, in some instances, in the future.
4. The "Received From" line was made out to a generic term such as "Students" rather than the individual actually remitting the monies.
5. Supporting documentation was not adequate. Computer generated receipt summaries or detail did not accompany school lunch and textbook rental collections. Reconcilements of the supporting documents to the actual collections were not performed, reviewed by the ECA Treasurer or other appropriate individual, or retained.
6. Receipts were written and posted on the day the deposit was made rather than upon remittance to the Extra-curricular Treasurer.
7. Deposits were not intact and, in some instances, of a different amount than the receipts without explanation.
8. The system allows a user to post transactions to prior and future periods. The system currently does not identify and report all receipts entered on a given date, regardless of the user-entered effective date.

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

9. Audit trails do not provide for user accountability. Manual compensating controls should be developed to provide for user accountability in instances where the accounting system is not designed to record the "user ID" and "date of each entry."
10. The accounting system for textbook rental charges and collections assigns sequential receipt numbers across multiple schools.
11. The daily record of textbook rental collections, Student Fee Accounting Transaction Register, does not report the receipt numbers.

The School Corporation has not developed a policy outlining the process for receiving, safeguarding, recording, and depositing school lunch, textbook rental, and other collections at the individual schools within the School Corporation addressing the deficiencies noted.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts Chapter 7)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation did not comply with directives of the U.S. Departments of Agriculture and Education by making incorrect free or reduced price meal eligibility determinations, charging excessive meal prices in the food service program, inadequately documenting costs, obligating funds outside of the period of availability, not adequately monitoring subrecipients, and failing to minimize the time between the transfer of grant funds and their disbursement.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

VENDING, CONCESSIONS OR OTHER SALES CONTROLS (Applies to all Extra-Curricular Accounts)

Information was not presented for audit to indicate that inventories and reconcilements of purchases to sales for the vending machines were performed.

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconcilment of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconcilment should provide an accurate accounting.

Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TIPPECANOE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OUTSIDE ORGANIZATIONS (Applies to Harrison High School)

Financial records indicate that monies from the Hoosier Crossroads Conference and Driscoll Mutual fund Scholarship were accounted for in the Extra-Curricular Accounts.

IC 20-41-1-7 states in part: "The treasurer shall have charge of the custody and disbursement of any funds . . . incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers) . . ." Therefore, activities and organizations which are not extra-curricular in nature should be responsible for their own accounting and cash handling systems. The extra-curricular account should not collect, receipt, remit, or disburse outside organization's monies. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Tippecanoe School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. 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.

As described in item 2008-7 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding subrecipient monitoring that are applicable to its Vocational Education – Basic Grants to States. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the years ended June 30, 2007 and 2008. The results of our auditing procedures also disclosed other 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 2008-3, 2008-4, 2008-5, 2008-6, and 2008-8.

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

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2008-5, 2008-6, and 2008-7 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2008-7 to be a material weakness.

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

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

STATE BOARD OF ACCOUNTS

April 30, 2009

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 184,732	\$ 262,541
National School Lunch Program	10.555		1,315,006	1,369,652
Special Milk Program for Children	10.556		8,314	5,376
Total for cluster			<u>1,508,052</u>	<u>1,637,569</u>
Team Nutrition Grants	10.574	CNTN-05-IN-1	75	-
Total for federal grantor agency			<u>1,508,127</u>	<u>1,637,569</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through Purdue University				
WIA Demonstrations and Research Projects	17.261	WIRED-5-59	-	8,370
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Education Agencies	84.010	06-7865	71,102	-
		07-7865	900,152	86,400
		08-7865	-	1,055,705
School Improvement			-	24,375
Total for program			<u>971,254</u>	<u>1,166,480</u>
Vocational Education - Basic Grants to States	84.048			
Carl D. Perkins Vocational and Applied Technology				
Basic Secondary Area Vocational District Grant		06-4700-7865	94,722	-
		07-4700-7865	244,574	113,425
		08-4700-7865	-	255,723
Pass-Through Indiana Department of Workforce Development				
Moving Forward		CPS-6-40	-	11,088
Total for program			<u>339,296</u>	<u>380,236</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants	84.186			
Title IV Part A		05-004	8,036	-
		SY 2006-2007	26,776	7,054
		SY 2007-2008	-	26,300
Total for program			<u>34,812</u>	<u>33,354</u>

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

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech-Prep Education Project Lead the Way	84.243	C1-8-PLTW-7A-40	-	18,663
Pass-Through Indiana Department of Education State Grants for Innovative Programs Title V Part A - Innovative Programs	84.298	SY 2006-2007 SY 2007-2008	17,387 -	113 14,639
Total for program			<u>17,387</u>	<u>14,752</u>
English Language Acquisition Grants Title III	84.365	FY 2005-2006 FY 2006-2007 FY 2007-2008	132 77,854 -	- 3,566 48,215
Total for program			<u>77,986</u>	<u>51,781</u>
Improving Teacher Quality State Grants Title II Part A - No Child Left Behind	84.367	06-7865 07-7865 08-7865	18,365 302,002 -	- 19,155 303,447
Title II Part D - Enhancing Education Through Technology		06-7865 07-7865	20,261 1,837	- 14,567
Total for program			<u>342,465</u>	<u>337,169</u>
Hurricane Education Recovery	84.938	FY 2006-2007	1,500	-
Total for federal grantor agency			<u>1,784,700</u>	<u>2,002,435</u>
Total federal awards expended			<u>\$ 3,292,827</u>	<u>\$ 3,648,374</u>

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Tippecanoe School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2007 and 2008:

Program Title	Federal CFDA Number	2007	2008
Vocational Education – Basic Grants to States	84.048	<u>\$ 304,879</u>	<u>\$ 325,261</u>

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
National School Lunch Program	10.555	<u>\$ 193,652</u>	<u>\$ 163,991</u>

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? yes

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Qualified for Vocational Education – Basic Grants to States and unqualified for other major programs.

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.048	Child Nutrition Cluster
84.367	Vocational Education – Basic Grants to States Improving Teacher Quality State Grants

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

FINDING 2008-1, INCORRECT CUTOFF OF DISBURSEMENTS

Generally accepted accounting principles require transactions to be recorded in the correct accounting period. The School Corporation is a cash basis entity and receipts are recognized when cash is received and disbursements are recognized when paid. Disbursements are considered paid when the entity relinquishes control of the cash such as when checks are mailed or a transfer out of the entity's bank account is authorized.

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

The School Corporation issues and posts the disbursements for July and August payroll checks and direct deposits for certified personnel (teachers) in June but retains control of the checks and does not initiate the direct deposit until the established pay dates in the subsequent July and August. The June 30, 2006, June 30, 2007, and June 30, 2008, cash balances were understated by \$3,565,561.35, \$3,968,718.20, and \$4,244,123.77, respectively, due to this practice. Also, disbursements for salaries and wages were overstated by \$403,156.85 in the 2006-2007 fiscal year and \$275,405.57 in the 2007-2008 fiscal year.

Inaccurate financial statements do not allow readers to make informed decisions. The financial statements presented in this report have been adjusted to show the disbursement of certified personnel payroll in the fiscal year the School Corporation relinquished control of either the paycheck or authorized the direct deposit of funds into the employees' bank accounts.

FINDING 2008-2, INADEQUATE INTERNAL CONTROLS
OVER RECEIPTS AT THE EXTRA-CURRICULAR LEVEL

As outlined in Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts (Chapter 7), 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.

Deficiencies noted over the receipting of collections by the extra-curricular treasurers were:

1. Checks received were not restrictively endorsed upon receipt.
2. Collections were not recorded and deposited timely. It was not possible to determine if individuals collecting the money were not remitting such collections timely or if Extra-Curricular Treasurers were not recording and depositing timely.
3. Individuals did not remain during the recounting of the collections brought to the Extra-Curricular Treasurer and did not receive a receipt at that time or, in some instances, in the future.
4. The "Received From" line was made out to a generic term such as "Students" rather than the individual actually remitting the monies.
5. Supporting documentation was not adequate. Computer generated receipt summaries or detail should accompany school lunch and textbook rental collections. Reconcilements of these supporting documents to the actual collections should be performed, reviewed by the ECA Treasurer or other appropriate individual, and retained.
6. Receipts were written and posted on the day the deposit was made rather than upon remittance to the Extra-curricular Treasurer.
7. Deposits were not intact and, in some instances, of a different amount than the receipts without explanation.

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

8. The system allows a user to post transactions to prior and future periods but should not unless the system is also able to identify and report all receipts entered on a given date, regardless of the user-entered effective date.
9. Audit trails do not, but should, provide for user accountability. In instances where the accounting system is not designed to record the "user ID" and "date of each entry," manual compensating controls should be developed to provide for user accountability.
10. The accounting system for textbook rental charges and collections assigns sequential receipt numbers across multiple schools. Compensating controls should be developed to help ensure each receipt has been accounted for.
11. The daily record of textbook rental collections, Student Fee Accounting Transaction Register, does not report the receipt numbers.

Receipts from local sources for the audit period were \$4,901,222 for School Lunch Fund and \$2,038,888 for Textbook Rental Fund.

Without adequate controls over the receipt collection and recording, errors and irregularities cannot be identified and corrected by Corporation personnel timely during the normal course of activity.

The School Corporation should develop a policy outlining the process for receiving, safeguarding, recording, and depositing school lunch, textbook rental, and other collections at the individual schools within the School Corporation addressing the deficiencies noted. Adherence to the policy monitoring procedures should also be developed. Vendors should be contacted to resolve the deficiencies noted which are the result of software programming.

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-3, INCORRECT ELIGIBILITY STATUS

Federal Agency: Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553, 10.555, 10.556
Federal Award Number: FY 2006/2007 & FY 2007/2008
Pass-Through: Indiana Department of Education

A child's eligibility for free or reduced price meals under the Child Nutrition Cluster is generally established by the submission and review of an annual application that furnishes information relating to household income and size. Schools determine eligibility by comparing the information provided on the application to published income guidelines. The Food and Nutrition Service (FNS) also publishes an "Eligibility Manual for School Meals" which provides detailed instructions for determining eligibility for free or reduced meals to children.

The FNS eligibility manual indicates that each household member that does not have income must be identified and must have an indication of zero income on the application. Of the 20 applications, haphazardly selected for review, we noted 3 applications incorrectly approved as eligible.

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

One application submitted indicated that only one member in the household had income and the remaining members did not list income or affirmatively mark a zero income indicator. The application was also submitted with a pay stub that conflicted with the reported income. The income as shown equaled the regular pay plus the shift premium for the days worked but excluded vacation pay for the week. Also, the pay stub indicated overtime payments could be a frequent occurrence but was also excluded from consideration of household income.

The second application indicated one member affirmatively marked a zero income indicator. The remaining members listed did not have income documented or a zero income indicator affirmatively marked.

The third application reflected a cash benefit for clergy housing was deducted from income received. The FNS eligibility manual defines income as any money received on a recurring basis unless specifically excluded. While the manual excludes noncash benefits such as in-kind compensation for clergy housing, the manual does not specifically exclude cash payments for clergy housing. The application was approved as income eligible for free benefits based on this exclusion. When including the cash benefit, the household exceeded income guidelines and, therefore, should have been denied.

The FNS eligibility manual indicates when an application is submitted with information inconsistent with information listed on the application, the inconsistency must be resolved expeditiously. An inconsistency could be accomplished by sending the household a notice of approval and a notice of adverse action at the same time; or by sending the household a notice of approval and a verification letter based on cause at the same time. The application shows the determining official approved the student eligible for free meals on the same day the application was signed by the applicant with no indication of action to resolve the income inconsistencies.

The Department of Education conducted a Program Review on February 11 – 15, 2008. Their review disclosed three additional children incorrectly approved for free or reduced meal benefits.

The School Corporation did not comply with grant requirements concerning eligibility of free and reduced meal applications and as a result the grantor overpaid reimbursements to the School Corporation of approximately \$2,819.

The Food Services Director should extend training to all persons involved in approving or denying free and reduced meal applications. The current FNS Eligibility Manual for School Meals should be utilized when evaluating nonstandard application situations.

FINDING 2008-4, EXCESSIVE MEAL CHARGES

Federal Agency: U.S. Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Number: 10.555, 10.553, 10.556
Federal Award Number: FY 06/07 & FY 07/08
Pass-through Entity: Indiana Department of Education

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

7 CFR section 210.14(b) states: "The School Food Authority (SFA) shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service."

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

7 CFR section 210.2 defines net cash resources as:

"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 State also establishes guidelines for setting full price meal charges. The guidance indicates the Federal and State reimbursements should be deducted from the cost of the meal prior to the SFA determining the charge to the paying student. The guidance further suggests if the SFA cost per meal is significantly less than the Federal reimbursement rate, a less than "break even" charge to the paying students is justified.

The School Corporation cost, reimbursement, and charge per meal during our audit period is as follows:

	2006-2007 School Year			
	Average Cost	Reimbursements	Difference	Charge
Elementary Breakfast	\$ 0.82	\$ 0.24	\$ 0.58	\$ 1.00
Elementary Lunch	1.64	0.31	1.33	1.60
Middle School Breakfast	0.95	0.24	0.71	1.00
Middle and High School Lunch	1.58	0.31	1.27	1.70
	2007-2008 School Year			
	Average Cost	Reimbursements	Difference	Charge
Elementary Breakfast	\$ 0.84	\$ 0.24	\$ 0.60	\$ 1.00
Elementary Lunch	1.64	0.31	1.33	1.60
Middle School Breakfast	0.95	0.24	0.71	1.00
Middle and High School Lunch	1.59	0.31	1.28	1.70

The School Corporation incurred an average of \$371,760 in expenses per month based on a 10 month operating year and showed cash balances as follows:

<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
<u>\$ 1,852,548.94</u>	<u>\$ 2,414,265.75</u>	<u>\$ 2,979,921.00</u>

The School Corporation did not consider Federal and State reimbursements when determining meal charges to paying students.

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

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

The School Corporation should establish meal prices in accordance with Federal and State guidelines in order to maintain a nonprofit school food service.

FINDING 2008-5. UNALLOWABLE COSTS AND ACTIVITIES

Federal Agency: U.S. Department of Education
Federal Program: Vocational Education – Basic Grants to States
CFDA Number: 84.048
Federal Award Number: 06-4700-7865, 07-4700-7865, 08-4700-7865 & CPS-6-40
Pass-through Entities: Indiana Department of Education and Indiana Department of Workforce Development

The basic guidelines section of OMB Circular A-87 indicates for a cost to be allowable under Federal Awards costs must meet certain criteria, including the cost must be necessary and reasonable for the performance and administration of Federal Awards, and must be adequately documented.

We reviewed six grant disbursements from our audit period. Three of the disbursements, were inadequately documented to determine if costs were allowable. Based on this result, additional claims for reimbursement of conference costs were selected for review. These are also listed below as questionable. An additional five claims reviewed in the testing of other grant requirements indicated one more invoice was paid without supporting documentation.

Five teachers were reimbursed for attending a conference in Salt Lake City, Utah. The conference was scheduled to run February 21 – 23, 2008. Hotel rooms and meals were reimbursed from February 20 – 23, 2008. Attendance at the conference was documented by a one day pass for February 22, 2008, purchased at approximately 1:00 p.m.

Seventeen of the forty meals reimbursed for this conference, were reimbursed without detailed receipts. Only credit charge slips documenting the vendor and the total cost were submitted for these seventeen meals. Snacks and sundry items purchased from area gas stations were also reimbursed. Additionally to the reimbursements for gasoline purchases en route to and from the conference were approximately 18 gallons purchased on February 21, 2008, and 11.3 gallons purchased on February 23, 2008, while the teachers were staying in Salt Lake City.

Another conference was attended by a life science teacher from September 27 – 29, 2007. Lunch and dinner were provided on September 27th, breakfast, lunch and dinner were provided on September 28th, and lunch was provided on September 29th as part of the paid registration. The teacher attended an optional tour and lunch on September 28th, and grant funds reimbursed these charges. Information was not provided to document that the tour and additional lunch charges were allowable under the grant.

The conferences identified had associated costs of \$3,864.48. \$1,264.29 paid from the Vocational Education - Basic Grants to States - CFDA No. 84.048 and \$1,952.37 paid from the Perkins Tech-Prep Education Grant - CDFA No. 84.243. The remainder was paid from the School Corporation General Fund.

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

A disbursement was made on September 13, 2006, for the purchase of software. The invoice attached supported a payment of \$2,600; however, the check written was for \$5,200. Subsequent to our request for further documentation, the vendor provided the School Corporation with a duplicate invoice for the remaining amount.

The Program Director was not familiar with all grant requirements and grant guidelines regarding allowable and unallowable costs, and activities allowed principles including the requirement to have sufficient and adequate documentation supporting all payments made from grant funds.

The School Corporation did not comply with allowable and unallowable cost, and activities allowed grant requirements including adequate documentation. Without adequate documentation, we cannot determine if grant funds were disbursed for activities not allowed by the grantor.

Allowable and unallowable costs and documentation requirements should be disseminated to all appropriate individuals. Claims for reimbursement without adequate documentation should not be paid.

FINDING 2008-6, NONCOMPLIANCE WITH PERIOD OF AVAILABILITY

Federal Agency: U.S. Department of Education
Federal Program: Vocational Education - Basic Grants to States
CFDA Number: 84.048
Federal Award Number: 06-4700-7865, 07-4700-7865, 08-4700-7865 & CPS-6-40
Pass-through Entities: Indiana Department of Education and Indiana Department of Workforce Development

The Notification of Grant Award provided by the Indiana Department of Education indicates the grant funds must be obligated by the end of the grant period, or June 30th of each grant year. 34 CFR section 76.707 defines an obligation as when the travel is taken, service is received, or the subrecipient makes a binding written commitment to acquire the property.

Our review of the expenditure of grant funds indicated four instances of noncompliance with period of availability requirements.

The first instance noted was for a purchase of a sod cutter. The purchase order is dated July 13, 2007, the vendor invoice attached to the purchase order indicates the order was placed on July 18, 2007, and payment was made on August 8, 2007. The purchase was made from grant funds that expired June 30, 2007, and was not obligated as of June 30, 2007.

The second and third instances were purchases of software licenses. One purchase order was dated August 8, 2006. The vendor invoice was dated August 16, 2006, and payment was made on September 13, 2006. The purchase was made with grant funds that expired June 30, 2006. The other purchase order was dated in April 18, 2008. Payment was made on August 13, 2008, with grant funds that expired June 30, 2008.

The fourth instance noted was a payment made for travel relating to training that occurred July 8 - 20, 2007. The payment was made August 8, 2007, from grant funds that expired June 30, 2007. The travel occurred after June 30, 2007, and, therefore, was not obligated as of June 30, 2007.

The grant expenditures noted above as obligated outside of applicable periods of availability are inappropriate expenditures for the grants and total \$18,140.22. Funds not obligated within the period of availability should have been returned to the grantor.

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

The School Corporation should develop procedures to insure grant funds are only disbursed for obligations within the appropriate period of availability. All purchasing individuals should be made aware of each grant's period of availability and definition of obligation.

FINDING 2008-7, NONCOMPLIANCE WITH SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Education
Federal Program: Vocational Education – Basic Grants to States
CFDA Number: 84.048
Federal Award Number: 06-4700-7865, 07-4700-7865, 08-4700-7865 & CPS-6-40
Pass-through Entities: Indiana Department of Education and Indiana Department
of Workforce Development

EDGAR 80.40(a) states: "Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements. . . ."

EDGAR 80.37(b) states: "All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants. . . ."

EDGAR 80.37(a) states grantees: "(1) shall ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and (2) Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation."

Tippecanoe School Corporation distributed \$630,139.91 to eight school corporations, including itself during the two year audit period. The School Corporation distributed these dollars without written contracts outlining grant requirements, allowable costs and activities of the money distributed, CFDA Number, and grant title. The School Corporation did not require nor receive reports documenting how these funds were spent.

The Indiana Department of Workforce Development on March 10, 2009, instructed the School Corporation to request disbursement documentation from the other school corporations for the funds that had been distributed to them from project No. 08-4700-7865 (grant year 2007-2008). As of March 20, 2009, only one school corporation had responded. The disbursements the School Corporation made to the responding school during the grant year 2007-2008 were \$13,813.50. The documentation supported only \$6,462.32 of grant money spent or obligated that year. The remaining funds, \$7,351.18, (53%) were not documented as being spent or obligated for allowable grant activities.

The funds transferred to School Corporation had been receipted to the General Fund. The funds are not segregated from other receipts in the General Fund and all Federal identity is lost. No documentation was provided to show these grant funds were spent for allowable grant activities.

The amount distributed to the School Corporation General Fund and seven other school corporations was not adequately monitored by the Program Director or any other School Corporation employee to ensure compliance with Federal grant requirements including allowable activities.

The School Corporation should develop monitoring procedures that insure disbursement of grant funds in accordance with grant requirements. The School Corporation should distribute funds to subgrantees only in conjunction with a written contract detailing grant requirements, monitoring requirements, expectations, and allowable costs and activities.

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

FINDING 2008-8, NONCOMPLIANCE WITH CASH MANAGEMENT

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

34 CFR section 80.21(c) states: "Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and their disbursement by the grantee or subgrantee."

The School Corporation establishes a budget for grant funds received, and schedules monthly drawdowns to provide for projected expenditures during the month of the draw during the grant period. The School Corporation historically receives their first draw six to seven months after the beginning of the grant period covering the first six or seven months. The following illustrates cash balances and amount drawn after the first draw was received by the School Corporation:

<u>Month/Year</u>	<u>Cash Balance End of Month</u>	<u>Amount of Draw Received in Month</u>	<u>Difference</u>
February - 2007	\$ 101,453.91	\$ 249,789.00	\$ (148,335.09)
March - 2007	107,396.01	35,684.00	71,712.01
April - 2007	119,566.94	35,684.00	83,882.94
May - 2007	96,033.87	-	96,033.87
June - 2007	58,966.98	-	58,966.98
July - 2007	37,239.25	-	37,239.25
August - 2007	1,107.13	-	1,107.13
February - 2008	186,669.89	210,539.00	(23,869.11)
March - 2008	60,567.74	30,077.00	30,490.74
April - 2008	66,544.26	30,077.00	36,467.26
May - 2008	72,750.78	30,077.00	42,673.78
June - 2008	68,008.56	30,077.00	37,931.56

The School Corporation's schedule for drawdowns creates excess cash balances throughout the grant year. This could cause the School Corporation to incur a liability to the Federal Grantor due to interest earned on advanced draws.

The School Corporation should evaluate cash drawdown requests and verify only the amount needed to satisfy current expenditures. This would minimize the time elapsed between the transfer of funds to the School Corporation and the disbursement of funds by the School Corporation.

TIPPECANOE SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



Tippecanoe School Corporation

21 Elston Road
Lafayette, Indiana 47909-2899

April 29, 2009

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

Re: Corrective Action Plan

Gentlemen:

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

2008-1 Incorrect Cutoff of Disbursements

TSC will process and record payroll as close to the actual pay date as possible effective immediately.

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

TSC is exploring a new extra curricular software system that will address many of the issues discussed in this finding. Also, TSC will develop procedures to monitor financial transactions and program activity at the extra-curricular level on a regular basis.

2008-3 Incorrect Eligibility Status

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

Effective with the 08-09 school years all school lunch applications are reviewed centrally. Additionally, Comalex software is used to assist in the approval process. Centralized approvers are more familiar with eligibility requirements.

2008-4 Excessive Meal Charges

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

A true food cost was not complete in prior years. Salaries and benefits were not included nor were cleaning supplies and disposable supplies. For the 09-10 school years we will begin to use NutriKids costing and meal analysis to determine nutritional values, cost analysis and inventory. This information will be blended with labor hours to provide a more accurate picture of average meal cost. With this data we will set the price of meals according to State guidelines.

2008-5 Unallowable Costs and Activities – Perkins Grant

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

TSC administrative personnel have met with the teachers involved in the questionable claims and we are continuing to review the claims submitted. TSC will be revising our travel and conference policies to better comply with all grant requirements.

2008-6 Noncompliance with Period of Availability

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

The Program Director will review all grant requirements and grant guidelines. Also, the program director will disseminate all requirements to all appropriate parties.

2008-7 Noncompliance with Subrecipient Monitoring

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

Program Director will have subrecipients maintain time and effort logs when applicable. Also, subrecipients will sign a written contract. Quarterly monitoring of subrecipients will be done by the Program Director.

2008-8 Noncompliance with Cash Management

Federal Agency: US Department of Education

Federal Program: Improving Teacher Quality State Grants – Title II Part A

CFDA Number: 84.367

Federal Award Number: 07-7865, 08-7865

Pass-through Entities: Indiana Department of Education

To the extent possible, we will request draw downs for those amounts that will meet the current needs of federally funded projects.

Sincerely,



Kimberly J. Fox

Chief Financial Officer

Treasurer

Tippecanoe School Corporation

TIPPECANOE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 30, 2009, with Randy Bond, President of the School Board; Dr. Scott Hanback, Superintendent of Schools; Kimberly J. Fox, Treasurer; and Faye Walburg, Deputy Treasurer. The official response has been made a part of this report and may be found on pages 65 and 66.



Tippecanoe School Corporation

21 Elston Road
Lafayette, Indiana 47909-2899

May 7, 2009

OFFICIAL RESPONSE

State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204-2765

Re: Response to Audit Results and Comments

Gentlemen:

Listed below are my responses to the Audit Results and Comments that were discussed at the exit conference held on April 30, 2009.

2008-1 Incorrect Cutoff of Disbursements

TSC will process and record payroll as close to the actual pay date as possible effective immediately.

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

TSC is exploring a new extra curricular software system that will address many of the issues discussed in this finding. Also, TSC will develop procedures to monitor financial transactions and program activity at the extra-curricular level on a regular basis.

Federal and State Agencies – Compliance Requirements

A corrective action plan was submitted at the exit conference addressing each of the federal findings.

Vending, Concessions or Other Sales Controls (Applies to Extra Curricular Accounts)

Most of our building principals have their vending machines emptied and refilled by either Coke or Pepsi. For those principals that have made the decision to not sign a contract with a vending company, compliance with new corporation wide procedures will be required.

Outside Organizations (Applies to Harrison High School)

The Harrison High School Principal and Treasurer have been made aware of the need to remove the outside organization accounts from the extra curricular books. I will periodically check with

-Page 2-

the Treasurer and Principal to see where they are in the process of removing these accounts from the extra curricular books.

If you have any questions or require further information please contact me at the above listed phone number. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly J. Fox". The signature is written in black ink and is positioned below the word "Sincerely,".

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