

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

LAPORTE COUNTY BOARD OF EDUCATION

LAPORTE COUNTY, INDIANA

July 1, 2010 to September 30, 2011



**FILED**

12/07/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	6
Notes to Financial Statements .....	7-8
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	10-11
Exit Conference.....	12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Norm L. Kleist	07-01-10 to 09-30-11
Superintendent Schools	Norm L. Kleist	07-01-10 to 09-30-11
President of the Board	Tim Guse	07-01-10 to 09-30-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAPORTE COUNTY BOARD  
OF EDUCATION, LAPORTE COUNTY, INDIANA

We have examined the financial statements of the LaPorte County Board of Education (Board), for the period of July 1, 2010 to September 30, 2011. The Board's management is responsible for the financial statements. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Board prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Board for the years ended June 30, 2011, and September 30, 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board's management and the LaPorte County Board of Education 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

October 11, 2011

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Board.  
The financial statements and notes are presented as intended by the Board.

LAPORTE COUNTY BOARD OF EDUCATION  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS

As of And For The Periods Ended June 30, 2011, and September 30, 2011

	<u>Cash and Investments 07-01-10</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 06-30-11</u>
General	\$ 5,004	\$ 3,222	\$ 7,218	\$ 1,008
Safe Schools Grant	11,500	-	11,500	-
Interest	<u>1,368</u>	<u>3</u>	<u>1,371</u>	<u>-</u>
Totals	<u>\$ 17,872</u>	<u>\$ 3,225</u>	<u>\$ 20,089</u>	<u>\$ 1,008</u>

  

	<u>Cash and Investments 07-01-11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 09-30-11</u>
General	<u>\$ 1,008</u>	<u>\$ 500</u>	<u>\$ 1,508</u>	<u>\$ -</u>

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

LAPORTE COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The LaPorte County Board of Education (Board) was established pursuant to the provisions of Indiana Code 20-2, and consists of three Township schools (Cass Township, Dewey Township, and Prairie Township). The chief administrator of the Board is the LaPorte County Superintendent of Schools. The governing board is the LaPorte County Board of Education. The LaPorte County Board of Education consists of 21 Board Trustees in LaPorte County.

The LaPorte County Joint Service and Supply Fund (General Fund) was established pursuant to the provisions of Indiana Code 20-5-9-2. The Joint Service and Supply agreement provides for the three Township schools to share in some common costs such as legal services, library materials, nurses, supplies and administrative costs. The various Townships in LaPorte County may participate and pay their proportionate share for Joint Services and Supplies, subject to agreements into which they may enter. Project accounts have been established, within the LaPorte County Joint Service and Supply Fund to handle transactions for these individual Boards and various special programs.

*B. Basis of Accounting*

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

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

*C. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

LAPORTE COUNTY BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*D. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*E. Interfund Transfers*

The Board may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*F. Fund Accounting*

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

**Note 2. Deposits and Investments**

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

**Note 3. LaPorte County Board of Education**

Operation of LaPorte County Board of Education terminated on September 30, 2011, as a result of the newly created Tri-Township Consolidated School Corporation. All assets were transferred to the new Corporation.

SUPPLEMENTARY INFORMATION – UNAUDITED

The supplementary information presented was approved by management of the LaPorte County Board of Education. It is presented as intended by the LaPorte County Board of Education.

LAPORTE COUNTY BOARD OF EDUCATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Period Ended June 30, 2011

	<u>General</u>	<u>Safe Schools Grant</u>	<u>Interest</u>	<u>Totals</u>
Cash and investments - beginning	\$ 5,004	\$ 11,500	\$ 1,368	\$ 17,872
Receipts:				
Intergovernmental	1,631	-	-	1,631
Other receipts	<u>1,591</u>	<u>-</u>	<u>3</u>	<u>1,594</u>
Total receipts	<u>3,222</u>	<u>-</u>	<u>3</u>	<u>3,225</u>
Disbursements:				
Other services and charges	6,060	-	-	6,060
Other disbursements	<u>1,158</u>	<u>11,500</u>	<u>1,371</u>	<u>14,029</u>
Total disbursements	<u>7,218</u>	<u>11,500</u>	<u>1,371</u>	<u>20,089</u>
Deficiency of receipts over disbursements	<u>(3,996)</u>	<u>(11,500)</u>	<u>(1,368)</u>	<u>(16,864)</u>
Cash and investments - ending	<u>\$ 1,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,008</u>

LAPORTE COUNTY BOARD OF EDUCATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Period Ended September 30, 2011

	General
Cash and investments - beginning	\$ 1,008
Receipts:	
Intergovernmental	500
Disbursements:	
Other services and charges	1,508
Deficiency of receipts over disbursements	(1,008)
Cash and investments - ending	\$ -

LAPORTE COUNTY BOARD OF EDUCATION  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2011, with Norm L. Kleist, Superintendent of Schools. Our examination disclosed no material items that warrant comment at this time.