

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TIPPECANOE SCHOOL CORPORATION
TIPPECANOE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
07/19/2018

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--|--|
| Treasurer | Kimberly J. Fox (Vacant) Amanda Brackett | 07-01-14 to 06-30-15 07-01-15 to 07-19-15 07-20-15 to 06-30-18 |
| Superintendent of Schools | Dr. Scott Hanback | 07-01-14 to 06-30-18 |
| President of the School Board | Randy Bond Linda Day | 01-01-14 to 12-31-15 01-01-16 to 12-31-18 |



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Tippecanoe School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2018, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 19, 2018



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Tippecanoe School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated June 19, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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 2016-001.

Tippecanoe School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 19, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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TIPPECANOE SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

| Fund | Cash and Investments | | Disbursements | Other Financing Sources (Uses) | | Cash and Investments | | Other Financing Sources (Uses) | | Cash and Investments | |
|--|----------------------|----------------|----------------|--------------------------------|---------------|----------------------|----------------|--------------------------------|---------------|----------------------|--|
| | 07-01-14 | Receipts | | 06-30-15 | Receipts | Disbursements | 06-30-16 | | | | |
| General | \$ 11,795,486 | \$ 78,358,154 | \$ 75,441,275 | \$ 154,947 | \$ 14,867,312 | \$ 82,571,592 | \$ 80,126,396 | \$ 72,493 | \$ 17,385,001 | | |
| Debt Service | 10,239,161 | 18,409,944 | 19,439,708 | 24,981 | 9,234,378 | 19,505,342 | 18,087,736 | - | 10,651,984 | | |
| Capital Projects | 17,842,401 | 11,933,898 | 11,403,021 | - | 18,373,278 | 12,203,044 | 10,244,708 | 31,263 | 20,362,877 | | |
| School Transportation | 1,129,884 | 6,345,621 | 6,191,892 | - | 1,283,613 | 6,586,857 | 6,603,306 | - | 1,267,164 | | |
| School Bus Replacement | 1,315,448 | 1,676,259 | 2,634,998 | (249,600) | 107,109 | 1,720,612 | 516,797 | - | 1,310,924 | | |
| Rainy Day | 3,364,839 | - | - | 435,039 | 3,799,878 | - | - | - | 3,799,878 | | |
| Post-Retirement/Severance Future Benefits | 109,275 | - | - | - | 109,275 | - | - | - | 109,275 | | |
| Construction | 9,737,056 | 5,547 | 6,254,187 | - | 3,488,416 | 3,244 | 1,786,479 | - | 1,705,181 | | |
| Construction 2014b Bond | - | 5,314 | 4,221,536 | 8,000,000 | 3,783,778 | 154 | 3,783,932 | - | - | | |
| Construction 2014b Lease | - | 230 | 199,082 | 600,000 | 401,148 | 19,944 | 416,029 | - | 5,063 | | |
| Construction 2009 HHS | 1,734,358 | 2,664 | 2,124,153 | 2,000,000 | 1,612,869 | 2,252 | 380,174 | - | 1,234,947 | | |
| Construction 2010 | 336,666 | 565 | 127,616 | 4,000,000 | 4,209,615 | 2,638 | 2,961,442 | - | 1,250,811 | | |
| Construction QSCB 2011 | 12,902 | 9 | 12,911 | - | - | - | - | - | - | | |
| Construction 2013 | 121,863 | 41 | 108,861 | - | 13,043 | 23 | - | - | 13,066 | | |
| Construction 2013 WRE | 6,807 | 8 | 2,230 | - | 4,585 | 1 | 4,353 | - | 233 | | |
| Construction 2014 GO | 5,774,542 | 3,198 | 5,267,556 | - | 510,184 | 104 | 510,288 | - | - | | |
| School Lunch | 5,882,079 | 5,388,194 | 5,986,558 | - | 5,283,715 | 5,591,222 | 5,621,197 | - | 5,253,740 | | |
| Textbook Rental | 1,618,884 | 2,087,661 | 2,144,185 | - | 1,562,360 | 2,150,718 | 1,778,629 | - | 1,934,449 | | |
| Self-Insurance | 8,913,204 | 12,245,722 | 15,046,315 | - | 6,112,611 | 12,764,809 | 14,055,626 | - | 4,821,794 | | |
| Levy Excess | - | 4,079 | - | - | 4,079 | - | - | - | 4,079 | | |
| Joint Services and Supply - Area Vocational School | 139,334 | 301,160 | 285,236 | - | 155,258 | 160,110 | 325,801 | - | (10,433) | | |
| Perkins Grant | (165,021) | 497,552 | 332,531 | - | - | 62,587 | 62,587 | - | - | | |
| Educational License Plates | 3,664 | 1,444 | 950 | - | 4,158 | 1,275 | 389 | - | 5,044 | | |
| Alternative Education | - | 40,475 | - | (40,475) | - | 36,297 | - | - | 36,297 | | |
| Early Intervention Grant | - | 84,994 | 65,604 | (19,390) | - | - | - | - | - | | |
| Donations & Gifts | 83,925 | 12,250 | 6,641 | 27,316 | 116,850 | 773 | 91,443 | 5,102 | 31,282 | | |
| Various Scholarship Funds | - | - | - | - | - | 58,846 | 2,078 | - | 56,768 | | |
| J&R Parks Grant | - | - | - | - | - | 18,962 | 18,496 | - | 466 | | |
| Kiwanis Grant | - | - | - | - | - | 381 | - | - | 381 | | |
| Warehouse Paper | - | - | - | - | - | - | 45 | 24,458 | 24,413 | | |
| Warehouse Clinic | - | - | - | - | - | - | 1,404 | - | (1,404) | | |
| SIA Community Foundation | - | - | - | - | - | 13,557 | 13,553 | - | 4 | | |
| Greater Lafayette Community Foundation | - | - | - | - | - | - | 3,479 | - | (3,479) | | |
| Radkids Grant | - | - | - | - | - | 15,000 | 15,000 | - | - | | |
| Instructional Support | 356 | - | - | - | 356 | - | - | - | 356 | | |
| Summer Camps | 7,348 | 31,039 | 29,001 | - | 9,386 | 24,992 | 23,852 | - | 10,526 | | |
| Scholarships and Awards | 1,930 | - | 500 | - | 1,430 | - | 500 | - | 930 | | |
| Wood Scholars | 504 | 1 | 500 | - | 5 | 1,306 | 540 | - | 771 | | |
| Miscellaneous Programs | - | 307,275 | 307,275 | - | - | 298,956 | 299,992 | - | (1,036) | | |
| Gifted & Talented Grant | 1,932 | 88,284 | 83,566 | - | 6,650 | 87,705 | 64,901 | (131) | 29,323 | | |
| Computer Consortium/Ed Tech Advance | - | 531,795 | 531,795 | - | - | 334,975 | 334,975 | - | - | | |
| Common School Fund | - | 28,568 | 28,568 | - | - | 1,198,977 | 1,198,977 | - | - | | |
| Secured Schools Safety Grant | - | - | 49,386 | - | (49,386) | 100,464 | 94,571 | - | (43,493) | | |
| Non-English Speaking Programs | - | 72,738 | 49,222 | - | 23,516 | 145,020 | 147,417 | (11,566) | 9,553 | | |
| School Technology | 72,947 | 9,213 | 69,918 | - | 12,242 | 71,723 | 5,000 | - | 78,965 | | |
| Senator David Ford Technology | - | 1,000 | 1,000 | - | - | - | - | - | - | | |
| IN Teacher of the Year | - | - | - | - | - | 83,170 | 102,218 | - | (19,048) | | |
| Unidentified Funds | - | - | 7,436 | 7,436 | - | - | 126 | 126 | - | | |
| Technology Student PC Support | 139,568 | 476,414 | 308,628 | - | 307,354 | 279,095 | 240,755 | - | 345,694 | | |
| Title I | (54,126) | 1,603,377 | 1,681,507 | - | (132,256) | 1,627,837 | 1,502,822 | (48,282) | (55,523) | | |
| Perkins | - | - | - | - | - | 196,653 | 293,579 | - | (96,926) | | |
| Improving Teacher Quality, No Child Left, Title II, Part A | (25,532) | 303,195 | 298,082 | (4,150) | (24,569) | 282,226 | 279,898 | - | (22,241) | | |
| Title III - English Proficiency Migrant | - | 177,462 | 93,893 | (90,932) | (7,363) | 126,595 | 113,545 | (12,514) | (6,827) | | |
| WIDA English Language Development | - | 2,980 | - | - | - | - | - | - | - | | |
| Prepaid Lunch Clearing | 101,605 | 106,016 | 88,860 | - | 118,761 | 135,123 | 133,085 | - | 120,799 | | |
| Payroll Clearing | - | 15,700,370 | 15,700,370 | - | - | 16,525,993 | 16,525,993 | - | - | | |
| Totals | \$ 80,243,289 | \$ 156,844,710 | \$ 176,629,533 | \$ 14,845,172 | \$ 75,303,638 | \$ 165,011,154 | \$ 168,774,113 | \$ 60,949 | \$ 71,601,628 | | |

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

C. Cash and Investments

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

D. Receipts

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

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants, multi-school cooperatives, or funds functioning as clearing accounts. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2016, for these funds.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with the Tippecanoe County NMSE School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the school years 2014-2015 and 2015-2016 totaled \$6,426,500 and \$6,482,500, respectively.

TIPPECANOE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

The School Corporation has entered into capital leases with the Tippecanoe County NSE08 School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the school years 2014-2015 and 2015-2016 totaled \$9,166,583 and \$4,683,682, respectively.

The School Corporation has entered into a capital lease with the Tippecanoe County Elementary School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the school years 2014-2015 and 2015-2016 totaled \$1,456,000 and \$2,939,500, respectively.

Note 9. Subsequent Events

A \$4,500,000 General Obligation Construction Bond was issued in December 2016, to be paid in full by January 2020. Also, a \$13,355,000 Ad Valorem Property Tax First Mortgage Bond, Series 2017 was issued by the Tippecanoe County NSE08 School Building Corporation (holding corporation) that represents \$15,128,000 in total lease payments to be made by the School Corporation through June 2022.

Note 10. Other Postemployment Benefits

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

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Post-Retirement/ Severance Future Benefits | Construction |
|---|---------------|---------------|------------------|-----------------------|------------------------|--------------|--|--------------|
| Cash and investments - beginning | \$ 11,795,486 | \$ 10,239,161 | \$ 17,842,401 | \$ 1,129,884 | \$ 1,315,448 | \$ 3,364,839 | \$ 109,275 | \$ 9,737,056 |
| Receipts: | | | | | | | | |
| Local sources | 960,116 | 18,346,273 | 11,927,711 | 6,339,456 | 1,676,259 | - | - | 5,547 |
| Intermediate sources | 74,205 | - | - | - | - | - | - | - |
| State sources | 77,323,833 | - | - | - | - | - | - | - |
| Federal sources | - | 63,671 | - | - | - | - | - | - |
| Other receipts | - | - | 6,187 | 6,165 | - | - | - | - |
| Total receipts | 78,358,154 | 18,409,944 | 11,933,898 | 6,345,621 | 1,676,259 | - | - | 5,547 |
| Disbursements: | | | | | | | | |
| Instruction | 55,452,928 | - | - | - | - | - | - | - |
| Support services | 19,281,040 | - | 5,603,362 | 6,191,892 | 2,634,998 | - | - | - |
| Noninstructional services | 707,307 | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 5,799,659 | - | - | - | - | 6,254,187 |
| Debt service | - | 19,439,708 | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 75,441,275 | 19,439,708 | 11,403,021 | 6,191,892 | 2,634,998 | - | - | 6,254,187 |
| Excess (deficiency) of receipts over disbursements | 2,916,879 | (1,029,764) | 530,877 | 153,729 | (958,739) | - | - | (6,248,640) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | 400 | 185,039 | - | - |
| Transfers in | 154,947 | 24,981 | - | - | - | 250,000 | - | - |
| Transfers out | - | - | - | - | (250,000) | - | - | - |
| Total other financing sources (uses) | 154,947 | 24,981 | - | - | (249,600) | 435,039 | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 3,071,826 | (1,004,783) | 530,877 | 153,729 | (1,208,339) | 435,039 | - | (6,248,640) |
| Cash and investments - ending | \$ 14,867,312 | \$ 9,234,378 | \$ 18,373,278 | \$ 1,283,613 | \$ 107,109 | \$ 3,799,878 | \$ 109,275 | \$ 3,488,416 |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Construction 2014b Bond | Construction 2014b Lease | Construction 2009 HHS | Construction 2010 | Construction QSCB 2011 | Construction 2013 | Construction 2013 WRE |
|---|-------------------------------|--------------------------------|-----------------------------|----------------------|------------------------------|----------------------|-----------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 1,734,358 | \$ 336,666 | \$ 12,902 | \$ 121,863 | \$ 6,807 |
| Receipts: | | | | | | | |
| Local sources | 5,314 | 230 | 2,664 | 565 | 9 | 41 | 8 |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>5,314</u> | <u>230</u> | <u>2,664</u> | <u>565</u> | <u>9</u> | <u>41</u> | <u>8</u> |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | - | - | - | - |
| Support services | - | - | 3,235 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 4,221,536 | 199,082 | 2,120,918 | 127,616 | 12,911 | 108,861 | 2,230 |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>4,221,536</u> | <u>199,082</u> | <u>2,124,153</u> | <u>127,616</u> | <u>12,911</u> | <u>108,861</u> | <u>2,230</u> |
| Excess (deficiency) of receipts over disbursements | <u>(4,216,222)</u> | <u>(198,852)</u> | <u>(2,121,489)</u> | <u>(127,051)</u> | <u>(12,902)</u> | <u>(108,820)</u> | <u>(2,222)</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | 8,000,000 | 600,000 | 2,024,981 | 4,000,000 | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | (24,981) | - | - | - | - |
| Total other financing sources (uses) | <u>8,000,000</u> | <u>600,000</u> | <u>2,000,000</u> | <u>4,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>3,783,778</u> | <u>401,148</u> | <u>(121,489)</u> | <u>3,872,949</u> | <u>(12,902)</u> | <u>(108,820)</u> | <u>(2,222)</u> |
| Cash and investments - ending | <u>\$ 3,783,778</u> | <u>\$ 401,148</u> | <u>\$ 1,612,869</u> | <u>\$ 4,209,615</u> | <u>\$ -</u> | <u>\$ 13,043</u> | <u>\$ 4,585</u> |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Construction 2014 GO | School Lunch | Textbook Rental | Self- Insurance | Levy Excess | Joint Services and Supply - Area Vocational School | Perkins Grant |
|---|----------------------------|---------------------|---------------------|---------------------|-----------------|---|------------------|
| Cash and investments - beginning | \$ 5,774,542 | \$ 5,882,079 | \$ 1,618,884 | \$ 8,913,204 | \$ - | \$ 139,334 | \$ (165,021) |
| Receipts: | | | | | | | |
| Local sources | 3,198 | 2,640,890 | 1,749,519 | 9,458,759 | 4,079 | 301,160 | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | 338,142 | - | - | - | - |
| Federal sources | - | 2,747,304 | - | - | - | - | 497,552 |
| Other receipts | - | - | - | 2,786,963 | - | - | - |
| Total receipts | <u>3,198</u> | <u>5,388,194</u> | <u>2,087,661</u> | <u>12,245,722</u> | <u>4,079</u> | <u>301,160</u> | <u>497,552</u> |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | 2,913 | - | 267,964 | 332,531 |
| Support services | - | 9,457 | 2,144,185 | 4,780,963 | - | 17,272 | - |
| Noninstructional services | - | 5,977,101 | - | - | - | - | - |
| Facilities acquisition and construction | 5,267,556 | - | - | 369,225 | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | 9,893,214 | - | - | - |
| Total disbursements | <u>5,267,556</u> | <u>5,986,558</u> | <u>2,144,185</u> | <u>15,046,315</u> | <u>-</u> | <u>285,236</u> | <u>332,531</u> |
| Excess (deficiency) of receipts over disbursements | <u>(5,264,358)</u> | <u>(598,364)</u> | <u>(56,524)</u> | <u>(2,800,593)</u> | <u>4,079</u> | <u>15,924</u> | <u>165,021</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(5,264,358)</u> | <u>(598,364)</u> | <u>(56,524)</u> | <u>(2,800,593)</u> | <u>4,079</u> | <u>15,924</u> | <u>165,021</u> |
| Cash and investments - ending | <u>\$ 510,184</u> | <u>\$ 5,283,715</u> | <u>\$ 1,562,360</u> | <u>\$ 6,112,611</u> | <u>\$ 4,079</u> | <u>\$ 155,258</u> | <u>\$ -</u> |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Educational License Plates | Alternative Education | Early Intervention Grant | Donations & Gifts | Various Scholarship Funds | J&R Parks Grant | Kiwanis Grant |
|---|----------------------------------|--------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|------------------|
| Cash and investments - beginning | \$ 3,664 | \$ - | \$ - | \$ 83,925 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | - | 12,250 | - | - | - |
| Intermediate sources | 1,444 | - | - | - | - | - | - |
| State sources | - | 40,475 | 84,994 | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>1,444</u> | <u>40,475</u> | <u>84,994</u> | <u>12,250</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Instruction | - | - | 65,604 | - | - | - | - |
| Support services | 950 | - | - | 5,841 | - | - | - |
| Noninstructional services | - | - | - | 800 | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>950</u> | <u>-</u> | <u>65,604</u> | <u>6,641</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>494</u> | <u>40,475</u> | <u>19,390</u> | <u>5,609</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | 27,316 | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | (40,475) | (19,390) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(40,475)</u> | <u>(19,390)</u> | <u>27,316</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>494</u> | <u>-</u> | <u>-</u> | <u>32,925</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 4,158</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 116,850</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Warehouse Paper | Warehouse Clinic | SIA Community Foundation | Greater Lafayette Community Foundation | Radkids Grant | Instructional Support | Summer Camps |
|---|--------------------|---------------------|--------------------------------|---|------------------|--------------------------|-----------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | 356 | 7,348 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 31,039 |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | - | - | - | - | - | 31,039 |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | - | - | - | - |
| Support services | - | - | - | - | - | - | 54 |
| Noninstructional services | - | - | - | - | - | - | 28,947 |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | - | - | 29,001 |
| Excess (deficiency) of receipts over disbursements | - | - | - | - | - | - | 2,038 |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | - | - | - | 2,038 |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ - | \$ - | 356 | 9,386 |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Scholarships and Awards | Wood Scholars | Miscellaneous Programs | Gifted & Talented Grant | Computer Consortium/ Ed Tech Advance | Common School Fund | Secured Schools Safety Grant |
|---|-------------------------------|------------------|---------------------------|-------------------------------|---|--------------------------|---------------------------------------|
| Cash and investments - beginning | \$ 1,930 | \$ 504 | \$ - | \$ 1,932 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | 1 | 307,275 | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | 88,284 | 531,795 | 28,568 | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | 1 | 307,275 | 88,284 | 531,795 | 28,568 | - |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | 79,108 | - | - | - |
| Support services | 500 | 500 | 307,275 | 4,458 | - | - | 49,386 |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | 531,795 | 28,568 | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 500 | 500 | 307,275 | 83,566 | 531,795 | 28,568 | 49,386 |
| Excess (deficiency) of receipts over disbursements | (500) | (499) | - | 4,718 | - | - | (49,386) |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (500) | (499) | - | 4,718 | - | - | (49,386) |
| Cash and investments - ending | \$ 1,430 | \$ 5 | \$ - | \$ 6,650 | \$ - | \$ - | \$ (49,386) |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Non-English Speaking Programs | School Technology | Senator David Ford Technology | IN Teacher of the Year | Unidentified Funds | Technology Student PC Support | Title I |
|---|-------------------------------------|----------------------|--|------------------------------|-----------------------|--|---------------------|
| Cash and investments - beginning | \$ - | \$ 72,947 | \$ - | \$ - | \$ - | \$ 139,568 | \$ (54,126) |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | 476,414 | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | 72,738 | 9,213 | 1,000 | - | - | - | - |
| Federal sources | - | - | - | - | - | - | 1,603,377 |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>72,738</u> | <u>9,213</u> | <u>1,000</u> | <u>-</u> | <u>-</u> | <u>476,414</u> | <u>1,603,377</u> |
| Disbursements: | | | | | | | |
| Instruction | 49,222 | - | 1,000 | - | - | - | 1,154,366 |
| Support services | - | 69,918 | - | - | 7,436 | 308,628 | 424,492 |
| Noninstructional services | - | - | - | - | - | - | 102,649 |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>49,222</u> | <u>69,918</u> | <u>1,000</u> | <u>-</u> | <u>7,436</u> | <u>308,628</u> | <u>1,681,507</u> |
| Excess (deficiency) of receipts over disbursements | <u>23,516</u> | <u>(60,705)</u> | <u>-</u> | <u>-</u> | <u>(7,436)</u> | <u>167,786</u> | <u>(78,130)</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | 7,436 | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,436</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>23,516</u> | <u>(60,705)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>167,786</u> | <u>(78,130)</u> |
| Cash and investments - ending | <u>\$ 23,516</u> | <u>\$ 12,242</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 307,354</u> | <u>\$ (132,256)</u> |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

| | Perkins | Improving Teacher Quality, No Child Left, Title II, Part A | Title III - English Proficiency Migrant | WIDA English Language Development | Prepaid Lunch Clearing | Payroll Clearing | Totals |
|---|---------|---|--|--|------------------------------|---------------------|---------------|
| Cash and investments - beginning | \$ - | \$ (25,532) | \$ - | \$ - | \$ 101,605 | \$ - | \$ 80,243,289 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 54,248,777 |
| Intermediate sources | - | - | - | - | - | - | 75,649 |
| State sources | - | - | - | - | - | - | 78,519,042 |
| Federal sources | - | 303,195 | 177,462 | 2,980 | - | - | 5,395,541 |
| Other receipts | - | - | - | - | 106,016 | 15,700,370 | 18,605,701 |
| Total receipts | - | 303,195 | 177,462 | 2,980 | 106,016 | 15,700,370 | 156,844,710 |
| Disbursements: | | | | | | | |
| Instruction | - | 280,993 | 76,644 | 1,536 | - | - | 57,764,809 |
| Support services | - | 17,089 | 17,249 | 1,444 | - | - | 41,881,624 |
| Noninstructional services | - | - | - | - | - | - | 6,816,804 |
| Facilities acquisition and construction | - | - | - | - | - | - | 25,044,144 |
| Debt service | - | - | - | - | - | - | 19,439,708 |
| Nonprogrammed charges | - | - | - | - | 88,860 | 15,700,370 | 25,682,444 |
| Total disbursements | - | 298,082 | 93,893 | 2,980 | 88,860 | 15,700,370 | 176,629,533 |
| Excess (deficiency) of receipts over disbursements | - | 5,113 | 83,569 | - | 17,156 | - | (19,784,823) |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | 14,624,981 |
| Sale of capital assets | - | - | - | - | - | - | 220,191 |
| Transfers in | - | - | - | - | - | - | 429,928 |
| Transfers out | - | (4,150) | (90,932) | - | - | - | (429,928) |
| Total other financing sources (uses) | - | (4,150) | (90,932) | - | - | - | 14,845,172 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 963 | (7,363) | - | 17,156 | - | (4,939,651) |
| Cash and investments - ending | \$ - | \$ (24,569) | \$ (7,363) | \$ - | \$ 118,761 | \$ - | \$ 75,303,638 |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Post-Retirement/Severance Future Benefits | Construction |
|---|---------------|---------------|------------------|-----------------------|------------------------|--------------|---|--------------|
| Cash and investments - beginning | \$ 14,867,312 | \$ 9,234,378 | \$ 18,373,278 | \$ 1,283,613 | \$ 107,109 | \$ 3,799,878 | \$ 109,275 | \$ 3,488,416 |
| Receipts: | | | | | | | | |
| Local sources | 1,056,809 | 19,448,087 | 12,176,469 | 6,557,914 | 1,720,612 | - | - | 3,244 |
| Intermediate sources | 24,735 | - | - | - | - | - | - | - |
| State sources | 81,490,048 | - | - | - | - | - | - | - |
| Federal sources | - | 57,255 | - | - | - | - | - | - |
| Other receipts | - | - | 26,575 | 28,943 | - | - | - | - |
| Total receipts | 82,571,592 | 19,505,342 | 12,203,044 | 6,586,857 | 1,720,612 | - | - | 3,244 |
| Disbursements: | | | | | | | | |
| Instruction | 58,489,280 | - | - | - | - | - | - | - |
| Support services | 20,881,795 | - | 4,860,777 | 6,598,687 | 516,797 | - | - | 2,053 |
| Noninstructional services | 755,321 | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 5,383,931 | 4,619 | - | - | - | 1,784,426 |
| Debt service | - | 18,087,736 | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 80,126,396 | 18,087,736 | 10,244,708 | 6,603,306 | 516,797 | - | - | 1,786,479 |
| Excess (deficiency) of receipts over disbursements | 2,445,196 | 1,417,606 | 1,958,336 | (16,449) | 1,203,815 | - | - | (1,783,235) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | 31,263 | - | - | - | - | - |
| Transfers in | 72,493 | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 72,493 | - | 31,263 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,517,689 | 1,417,606 | 1,989,599 | (16,449) | 1,203,815 | - | - | (1,783,235) |
| Cash and investments - ending | \$ 17,385,001 | \$ 10,651,984 | \$ 20,362,877 | \$ 1,267,164 | \$ 1,310,924 | \$ 3,799,878 | \$ 109,275 | \$ 1,705,181 |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Construction 2014b Bond | Construction 2014b Lease | Construction 2009 HHS | Construction 2010 | Construction QSCB 2011 | Construction 2013 | Construction 2013 WRE |
|---|-------------------------------|--------------------------------|-----------------------------|----------------------|------------------------------|----------------------|-----------------------------|
| Cash and investments - beginning | \$ 3,783,778 | \$ 401,148 | \$ 1,612,869 | \$ 4,209,615 | \$ - | \$ 13,043 | \$ 4,585 |
| Receipts: | | | | | | | |
| Local sources | 154 | 19,944 | 2,252 | 2,638 | - | 23 | 1 |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>154</u> | <u>19,944</u> | <u>2,252</u> | <u>2,638</u> | <u>-</u> | <u>23</u> | <u>1</u> |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | - | - | - | - |
| Support services | - | 1,500 | 92 | 2,250 | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 3,783,932 | 414,529 | 380,082 | 2,959,192 | - | - | 4,353 |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>3,783,932</u> | <u>416,029</u> | <u>380,174</u> | <u>2,961,442</u> | <u>-</u> | <u>-</u> | <u>4,353</u> |
| Excess (deficiency) of receipts over disbursements | <u>(3,783,778)</u> | <u>(396,085)</u> | <u>(377,922)</u> | <u>(2,958,804)</u> | <u>-</u> | <u>23</u> | <u>(4,352)</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(3,783,778)</u> | <u>(396,085)</u> | <u>(377,922)</u> | <u>(2,958,804)</u> | <u>-</u> | <u>23</u> | <u>(4,352)</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ 5,063</u> | <u>\$ 1,234,947</u> | <u>\$ 1,250,811</u> | <u>\$ -</u> | <u>\$ 13,066</u> | <u>\$ 233</u> |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Construction 2014 GO | School Lunch | Textbook Rental | Self- Insurance | Levy Excess | Joint Services and Supply - Area Vocational School | Perkins Grant |
|---|----------------------------|-----------------|--------------------|--------------------|----------------|---|------------------|
| Cash and investments - beginning | \$ 510,184 | \$ 5,283,715 | \$ 1,562,360 | \$ 6,112,611 | \$ 4,079 | \$ 155,258 | \$ - |
| Receipts: | | | | | | | |
| Local sources | 104 | 2,660,544 | 1,787,562 | 10,379,446 | - | 160,110 | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | 80,019 | 363,156 | - | - | - | - |
| Federal sources | - | 2,850,659 | - | - | - | - | 62,587 |
| Other receipts | - | - | - | 2,385,363 | - | - | - |
| Total receipts | 104 | 5,591,222 | 2,150,718 | 12,764,809 | - | 160,110 | 62,587 |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | 6,843 | - | 308,295 | 62,587 |
| Support services | - | 7,155 | 1,778,629 | 259,797 | - | 17,506 | - |
| Noninstructional services | - | 5,608,842 | - | - | - | - | - |
| Facilities acquisition and construction | 510,288 | 5,200 | - | 3,167,626 | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | 10,621,360 | - | - | - |
| Total disbursements | 510,288 | 5,621,197 | 1,778,629 | 14,055,626 | - | 325,801 | 62,587 |
| Excess (deficiency) of receipts over disbursements | (510,184) | (29,975) | 372,089 | (1,290,817) | - | (165,691) | - |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (510,184) | (29,975) | 372,089 | (1,290,817) | - | (165,691) | - |
| Cash and investments - ending | \$ - | \$ 5,253,740 | \$ 1,934,449 | \$ 4,821,794 | \$ 4,079 | \$ (10,433) | \$ - |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Educational License Plates | Alternative Education | Early Intervention Grant | Donations & Gifts | Various Scholarship Funds | J&R Parks Grant | Kiwanis Grant |
|---|----------------------------------|--------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|------------------|
| Cash and investments - beginning | \$ 4,158 | \$ - | \$ - | \$ 116,850 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | - | 773 | 58,846 | 18,962 | 381 |
| Intermediate sources | 1,275 | - | - | - | - | - | - |
| State sources | - | 36,297 | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>1,275</u> | <u>36,297</u> | <u>-</u> | <u>773</u> | <u>58,846</u> | <u>18,962</u> | <u>381</u> |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | 25,972 | - | 984 | - |
| Support services | 389 | - | - | 12,479 | 2,078 | 7,497 | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | 52,992 | - | 10,015 | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>389</u> | <u>-</u> | <u>-</u> | <u>91,443</u> | <u>2,078</u> | <u>18,496</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>886</u> | <u>36,297</u> | <u>-</u> | <u>(90,670)</u> | <u>56,768</u> | <u>466</u> | <u>381</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | 5,102 | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,102</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>886</u> | <u>36,297</u> | <u>-</u> | <u>(85,568)</u> | <u>56,768</u> | <u>466</u> | <u>381</u> |
| Cash and investments - ending | <u>\$ 5,044</u> | <u>\$ 36,297</u> | <u>\$ -</u> | <u>\$ 31,282</u> | <u>\$ 56,768</u> | <u>\$ 466</u> | <u>\$ 381</u> |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Warehouse Paper | Warehouse Clinic | SIA Community Foundation | Greater Lafayette Community Foundation | Radkids Grant | Instructional Support | Summer Camps |
|---|--------------------|---------------------|--------------------------------|---|------------------|--------------------------|-----------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 356 | \$ 9,386 |
| Receipts: | | | | | | | |
| Local sources | - | - | 13,557 | - | 15,000 | - | 24,992 |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | - | 13,557 | - | 15,000 | - | 24,992 |
| Disbursements: | | | | | | | |
| Instruction | - | - | 9,806 | - | - | - | - |
| Support services | 45 | 1,404 | - | - | 15,000 | - | - |
| Noninstructional services | - | - | - | - | - | - | 23,852 |
| Facilities acquisition and construction | - | - | 3,747 | 3,479 | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 45 | 1,404 | 13,553 | 3,479 | 15,000 | - | 23,852 |
| Excess (deficiency) of receipts over disbursements | (45) | (1,404) | 4 | (3,479) | - | - | 1,140 |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | 24,458 | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 24,458 | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 24,413 | (1,404) | 4 | (3,479) | - | - | 1,140 |
| Cash and investments - ending | \$ 24,413 | \$ (1,404) | \$ 4 | \$ (3,479) | \$ - | \$ 356 | \$ 10,526 |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Scholarships and Awards | Wood Scholars | Miscellaneous Programs | Gifted & Talented Grant | Computer Consortium/ Ed Tech Advance | Common School Fund | Secured Schools Safety Grant |
|---|-------------------------------|------------------|---------------------------|-------------------------------|---|--------------------------|---------------------------------------|
| Cash and investments - beginning | \$ 1,430 | \$ 5 | \$ - | \$ 6,650 | \$ - | \$ - | \$ (49,386) |
| Receipts: | | | | | | | |
| Local sources | - | 1,306 | 298,956 | 830 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | 86,875 | 334,975 | 1,198,977 | 100,464 |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | 1,306 | 298,956 | 87,705 | 334,975 | 1,198,977 | 100,464 |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | 57,473 | - | - | - |
| Support services | 500 | - | 299,992 | 7,428 | 31,331 | 35,744 | 94,571 |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | 303,644 | 1,163,233 | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | 540 | - | - | - | - | - |
| Total disbursements | 500 | 540 | 299,992 | 64,901 | 334,975 | 1,198,977 | 94,571 |
| Excess (deficiency) of receipts over disbursements | (500) | 766 | (1,036) | 22,804 | - | - | 5,893 |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | (131) | - | - | - |
| Total other financing sources (uses) | - | - | - | (131) | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (500) | 766 | (1,036) | 22,673 | - | - | 5,893 |
| Cash and investments - ending | \$ 930 | \$ 771 | \$ (1,036) | \$ 29,323 | \$ - | \$ - | \$ (43,493) |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Non-English Speaking Programs | School Technology | Senator David Ford Technology | IN Teacher of the Year | Unidentified Funds | Technology Student PC Support | Title I |
|---|-------------------------------------|----------------------|--|------------------------------|-----------------------|--|--------------|
| Cash and investments - beginning | \$ 23,516 | \$ 12,242 | \$ - | \$ - | \$ - | \$ 307,354 | \$ (132,256) |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | 279,095 | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | 145,020 | 71,723 | - | 83,170 | - | - | - |
| Federal sources | - | - | - | - | - | - | 1,627,837 |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | 145,020 | 71,723 | - | 83,170 | - | 279,095 | 1,627,837 |
| Disbursements: | | | | | | | |
| Instruction | 147,417 | - | - | 75,816 | - | - | 1,010,263 |
| Support services | - | 5,000 | - | 26,402 | 126 | 240,755 | 395,974 |
| Noninstructional services | - | - | - | - | - | - | 96,585 |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 147,417 | 5,000 | - | 102,218 | 126 | 240,755 | 1,502,822 |
| Excess (deficiency) of receipts over disbursements | (2,397) | 66,723 | - | (19,048) | (126) | 38,340 | 125,015 |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | 126 | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | (11,566) | - | - | - | - | - | (48,282) |
| Total other financing sources (uses) | (11,566) | - | - | - | 126 | - | (48,282) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (13,963) | 66,723 | - | (19,048) | - | 38,340 | 76,733 |
| Cash and investments - ending | \$ 9,553 | \$ 78,965 | \$ - | \$ (19,048) | \$ - | \$ 345,694 | \$ (55,523) |

TIPPECANOE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Perkins | Improving Teacher Quality, No Child Left, Title II, Part A | Title III - English Proficiency Migrant | WIDA English Language Development | Prepaid Lunch Clearing | Payroll Clearing | Totals |
|---|-------------|---|--|--|------------------------------|---------------------|---------------|
| Cash and investments - beginning | \$ - | \$ (24,569) | \$ (7,363) | \$ - | \$ 118,761 | \$ - | \$ 75,303,638 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 56,688,611 |
| Intermediate sources | - | - | - | - | - | - | 26,010 |
| State sources | - | - | - | - | - | - | 83,990,724 |
| Federal sources | 196,653 | 282,226 | 126,595 | - | - | - | 5,203,812 |
| Other receipts | - | - | - | - | 135,123 | 16,525,993 | 19,101,997 |
| Total receipts | 196,653 | 282,226 | 126,595 | - | 135,123 | 16,525,993 | 165,011,154 |
| Disbursements: | | | | | | | |
| Instruction | 293,579 | 48,321 | 7,890 | - | - | - | 60,544,526 |
| Support services | - | 231,577 | 67,374 | - | - | - | 36,402,704 |
| Noninstructional services | - | - | 19,288 | - | - | - | 6,503,888 |
| Facilities acquisition and construction | - | - | 18,993 | - | - | - | 19,954,281 |
| Debt service | - | - | - | - | - | - | 18,087,736 |
| Nonprogrammed charges | - | - | - | - | 133,085 | 16,525,993 | 27,280,978 |
| Total disbursements | 293,579 | 279,898 | 113,545 | - | 133,085 | 16,525,993 | 168,774,113 |
| Excess (deficiency) of receipts over disbursements | (96,926) | 2,328 | 13,050 | - | 2,038 | - | (3,762,959) |
| Other financing sources (uses): | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | 60,949 |
| Transfers in | - | - | - | - | - | - | 72,493 |
| Transfers out | - | - | (12,514) | - | - | - | (72,493) |
| Total other financing sources (uses) | - | - | (12,514) | - | - | - | 60,949 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (96,926) | 2,328 | 536 | - | 2,038 | - | (3,702,010) |
| Cash and investments - ending | \$ (96,926) | \$ (22,241) | \$ (6,827) | \$ - | \$ 120,799 | \$ - | \$ 71,601,628 |

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TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

| <u>Government or Enterprise</u> | <u>Accounts Payable</u> | <u>Accounts Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities | <u>\$ 6,921,572</u> | <u>\$ 248,216</u> |

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|--|---|----------------------|----------------------|-------------------|
| Governmental activities: | | | | |
| Tippecanoe County Elementary School Building Corporation | Wea Ridge Elementary School First Mortgage Bonds Series 2013 | \$ 2,987,000 | 6/30/2015 | 12/31/2017 |
| Tippecanoe County NMSE School Building Corporation | Battle Ground Middle School and Woodland Elementary School First Mortgage Bonds 2006 | 6,542,000 | 1/15/2007 | 12/31/2018 |
| Tippecanoe County NSE08 School Building Corporation | Burnett Creek Elementary and Woodland Elementary Series 2014 | 2,275,000 | 1/15/2015 | 12/31/2025 |
| Tippecanoe County NSE08 School Building Corporation | Harrison High School and McCutcheon High School Taxable First Mortgage Bonds Series 2009A | 2,950,644 | 6/30/2010 | 12/31/2019 |
| Tippecanoe County NSE08 School Building Corporation | Wyandotte Elementary School First Mortgage Bonds Series 2009C | 1,726,594 | 6/30/2011 | 12/31/2025 |
| Tippecanoe Middle School Building Corporation | Battle Grant Intermediate Series 2014B | <u>752,000</u> | 1/15/2015 | 12/31/2024 |
| Total governmental activities | | <u>17,233,238</u> | | |
| Total of annual lease payments | | <u>\$ 17,233,238</u> | | |

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| Type | Description of Debt | Purpose | Ending Principal Balance | Principal and Interest Due Within One Year |
|-------------------------------|---|---------|--------------------------|--|
| Governmental activities: | | | | |
| General obligation bonds | Qualified School Construction Bonds of 2011 | | \$ 1,165,000 | \$ 312,548 |
| General obligation bonds | General Obligation Bond 2014-A | | 5,615,000 | 359,841 |
| General obligation bonds | General Obligation Bond 2014-B | | 8,000,000 | 207,677 |
| General obligation bonds | General Obligation Bond 2014-C | | 1,890,000 | 552,800 |
| General obligation bonds | General Obligation Bond 2015 | | 4,000,000 | 72,000 |
| Notes and loans payable | Common School Loan #A1803 | | 788,701 | 232,667 |
| Notes and loans payable | Common School Loan #A1880 | | 478,616 | 110,879 |
| Notes and loans payable | Common School Loan #A1983 | | 334,975 | 35,311 |
| Notes and loans payable | Common School Loan #A1496 | | 50,012 | 50,262 |
| Notes and loans payable | Common School Loan #A1573 | | 69,720 | 47,061 |
| Notes and loans payable | Common School Loan #A1648 | | 151,663 | 62,030 |
| Notes and loans payable | Common School Loan #A1776 | | <u>321,800</u> | <u>94,931</u> |
| Total governmental activities | | | <u>22,865,487</u> | <u>2,138,007</u> |
| Totals | | | <u>\$ 22,865,487</u> | <u>\$ 2,138,007</u> |

TIPPECANOE SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| | <u>Ending Balance</u> |
|------------------------------------|---------------------------|
| Governmental activities: | |
| Land | \$ 2,989,770 |
| Buildings | 183,401,149 |
| Improvements other than buildings | 9,343,004 |
| Machinery, equipment, and vehicles | <u>8,325,630</u> |
| Total governmental activities | <u>204,059,553</u> |
| Total capital assets | <u>\$ 204,059,553</u> |

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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
INDIANAPOLIS, INDIANA 46204-2769

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

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

Report on Compliance for Each Major Federal Program

We have audited the Tippecanoe School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003, 2016-004, 2016-005, and 2016-006. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, 2016-004, 2016-005, and 2016-006 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

June 19, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-15 | Total Federal Awards Expended 06-30-15 | Passed Through to Subrecipient 06-30-16 | Total Federal Awards Expended 06-30-16 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| <u>Department of Agriculture</u> | | | | | | | |
| Child Nutrition Cluster | | | | | | | |
| School Breakfast Program | Indiana Department of Education | 10.553 | FY 2015, FY 2016 | \$ - | \$ 466,259 | \$ - | \$ 511,908 |
| National School Lunch Program | Indiana Department of Education | 10.555 | | | | | |
| National School Lunch Program | | | FY 2015, FY 2016 | - | 2,207,389 | - | 2,337,021 |
| National School Lunch Program - Commodities | | | FY 2015, FY 2016 | - | 389,519 | - | 404,665 |
| National School Lunch Program - Snacks | | | FY 2015, FY 2016 | - | - | - | 1,730 |
| Total - National School Lunch Program | | | | - | 2,596,908 | - | 2,743,416 |
| Total - Child Nutrition Cluster | | | | - | 3,063,167 | - | 3,255,324 |
| Total - Department of Agriculture | | | | - | 3,063,167 | - | 3,255,324 |
| <u>Department of Education</u> | | | | | | | |
| Special Education Cluster (IDEA) | | | | | | | |
| Special Education Grants to States | Indiana Department of Education | 84.027 | | | | | |
| | | | 14213-023-PN01 | - | 71,800 | - | - |
| | | | 14214-023-PN01 | - | 698,026 | - | 127,553 |
| | | | 14215-023-PN01 | - | 1,810,172 | - | 559,827 |
| | | | 14216-021-PN01 | - | - | - | 1,752,225 |
| | | | 99914-023-TA01 | - | 24,274 | - | 8,595 |
| Total - Special Education Grants to States | | | | - | 2,604,272 | - | 2,448,200 |
| Special Education Preschool Grants | Indiana Department of Education | 84.173 | | | | | |
| | | | 45714-023-PN01 | - | 30,011 | - | 9,620 |
| | | | 45715-023-PN01 | - | 67,257 | - | 19,546 |
| | | | 45716-021-PN01 | - | - | - | 62,381 |
| Total - Special Education Preschool Grants | | | | - | 97,268 | - | 91,547 |
| Total - Special Education Cluster (IDEA) | | | | - | 2,701,540 | - | 2,539,747 |

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-15 | Total Federal Awards Expended 06-30-15 | Passed Through to Subrecipient 06-30-16 | Total Federal Awards Expended 06-30-16 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | 14-7865 | - | 415,162 | - | - |
| | | | 15-7865 | - | 1,188,215 | - | 441,890 |
| | | | 16-7865 | - | - | - | 1,185,948 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 1,603,377 | - | 1,627,838 |
| Career and Technical Education - Basic Grants to States | Indiana Department of Education | 84.048 | 14-4700-7865 | - | 192,470 | - | - |
| | | | 15-4700-7865 | 45,192 | 305,082 | - | 62,587 |
| | | | 16-4700-7865 | - | - | 79,703 | 196,653 |
| Total - Career and Technical Education - Basic Grants to States | | | | 45,192 | 497,552 | 79,703 | 259,240 |
| English Language Acquisition State Grants | Indiana Department of Education | 84.365 | 01113-083-PN01 | - | 90,486 | - | - |
| | | | 01113-379-PN01 | - | 2,980 | - | - |
| | | | 01114-080-PN01 | - | 86,977 | - | 27,278 |
| | | | 01115-080-PN01 | - | - | - | 99,318 |
| Total - English Language Acquisition State Grants | | | | - | 180,443 | - | 126,596 |
| Supporting Effective Instruction State Grants | Indiana Department of Education | 84.367 | P.L.107-110 FFY2012 | - | 114,899 | - | - |
| | | | P.L.107-110 FFY2013 | - | 188,296 | - | 81,298 |
| | | | P.L.107-110 FFY2014 | - | - | - | 200,928 |
| Total - Supporting Effective Instruction State Grants | | | | - | 303,195 | - | 282,226 |
| Total - Department of Education | | | | 45,192 | 5,286,107 | 79,703 | 4,835,647 |
| Total federal awards expended | | | | \$ 45,192 | \$ 8,349,274 | \$ 79,703 | \$ 8,090,971 |

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative

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

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

| | |
|--|--|
| Type of auditor's report issued: | Adverse as to GAAP; Unmodified as to Regulatory Basis |
| Internal control over financial reporting: | |
| Material weakness identified? | yes |
| Significant deficiencies identified? | none reported |
| Noncompliance material to financial statement noted? | yes |

Federal Awards:

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | yes |
| Significant deficiencies identified? | none reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? | yes |

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|---|
| 84.010 | Child Nutrition Cluster Title I Grants to Local Educational Agencies |

Dollar threshold used to distinguish between Type A and Type B programs: \$493,207

| | |
|--|----|
| Auditee qualified as low-risk auditee? | no |
|--|----|

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2014-001.

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

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's SEFA. One employee prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

Context

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were understated by \$486,612 and \$29,496 for the 2015 and 2016 fiscal years, respectively.
2. The Special Education Cluster (IDEA) expenditures were understated by \$891,369 and \$725,142 for the 2015 and 2016 fiscal years, respectively.
3. The Career and Technical Education - Basic Grants to States amounts passed through to subrecipients were understated by \$45,192 and \$79,703 for the 2015 and 2016 fiscal years, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § __.310. . . ."

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

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed or implemented adequate policies or procedures to ensure accurate reporting of its School Food Authority (SFA) Verification Collection Reports and Annual Financial Reports. The reports were prepared by the one employee without an oversight, review, or approval process.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

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

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-003

Subject: Child Nutrition Cluster - Equipment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the equipment management requirements.

The School Corporation had not established effective controls to ensure that equipment records contained the proper detail or that equipment was properly safeguarded or maintained.

The equipment records did not contain acquisition dates, cost, or disposition data, and some equipment items did not have identifying numbers. Also, equipment was not always adequately safeguarded and maintained. Three out of the twenty-five items tested from the property listing no longer existed and two other items tested had incorrect serial numbers.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.313(d) states in part:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the equipment management requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the equipment management requirements.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the equipment management requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-004

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the suspension and debarment requirements.

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed an effective system of internal controls that would have ensured compliance with the suspension and debarment requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the suspension and debarment requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the suspension and debarment requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

FINDING 2016-005

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-7865, 15-7865, 16-7865
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Required time and effort logs for employees who worked on multiple activities or cost objectives and Semi-Annual Certifications for employees who worked on a single activity or cost objective during the audit period were not presented for audit.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

OMB Circular A-87, Attachment B, Part 8(h) states in part:

". . . (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

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

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-006

Subject: Title I Grants to Local Educational Agencies - Equipment
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-7865, 15-7865, 16-7865
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the equipment management requirements.

The School Corporation had not established effective controls to ensure that equipment records contained the proper detail or that equipment was properly safeguarded or maintained.

The equipment records did not contain acquisition dates, cost, or disposition data, and some equipment items did not have descriptions. Also, equipment was not always adequately safeguarded and maintained. Of the 25 items selected for testing, 5 were not observed but were included in an obsolete equipment list maintained by IT personnel at the school; however, a copy of this obsolete equipment list was not kept or reconciled with the School Corporation's Title I office. Another 7 of the 25 items selected for testing were not observed and were not included on the obsolete equipment list maintained by IT personnel at the school.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.313(d) states in part:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
..."

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the equipment management requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the equipment management requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

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



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SECTION II FINDINGS

FINDING 2014-001

Fiscal year in which finding initially occurred: 2011-2012
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Lori Shofroth-Cords
Contact Phone Number: 765-772-8434

TSC has a system of internal controls in place to prevent and detect errors and misstatements on the Schedule of Expenditures of Federal Awards. However, during the 2012-2014 audit period, a misstatement of funds was listed on this schedule for the National School Breakfast and Lunch programs. Additional education will be ascertained to ensure the Business Office understands what items are to be included on the Schedule of Expenditures of Federal Awards. Adjustments were made to the 2012-2014 SEFA registers included with the 2013-2014 audit report. The Business Office is currently working to ensure that the system of controls in place are in alignment with the Schedule of Federal Award requirements.

Amanda M. Brackett, Chief Financial Officer
April 17, 2018



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SECTION III FINDINGS

FINDING 2014-002

Fiscal Year in which the finding initially occurred: FY 2011-2012
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Lori Shofroth-Cords
Contact Phone Number: 765-772-8434

The TSC Director of Nutrition Services continues to spend funds on equipment and personnel to keep our kitchens updated and manned appropriately. We continue to provide the Indiana Department of Education – State Nutrition Division plans on how we intend to spend down the cash balance. Since July 2014, \$3.0 million has been spent for equipment upgrades throughout the district. This coming summer an additional \$.5 million will be spent on equipment upgrades in the McCutcheon High School kitchen. In addition, a monthly meeting has been established between the Chief Financial Officer and the Director of Nutrition Services to review financial reports which include cash balances.

Amanda M. Brackett, Chief Financial Officer
April 17, 2018



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Amanda M. Brackett, Chief Financial Officer
Contact Phone Number: (765) 772-4915

Views of Responsible Official: We agree with the repeat findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding the Schedule of Federal Awards preparation, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. Two staff members in the Business Office have been identified and will complete the annual SEFA. One person will prepare the SEFA, the second person will review the entries, and the Chief Financial Officer will review and submit the final SEFA into the Gateway system.
2. These identified personnel in the Business Office will be trained to understand what is required in the SEFA and which reports from our financial accounting system the data is to be retrieved. Training will include both internal (reviewing reports) as well as external (State Board of Accounts) to know what is needed and expected for the SEFA.
3. All backup documentation to support the SEFA entries will be kept in a file for review, if needed.
4. Signatures of the preparer, reviewer, and submitter will be kept with the backup documentation.

The changes proposed will prevent future issues with the SEFA from occurring by allowing multiple reviews of the documents before being submitted. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

Anticipated Completion Date: July 31, 2018 – We will make these corrections effective with the submission of the 2017-2018 SEFA.



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

FINDING 2016-002

Contact Person Responsible for Corrective Action: Lori Shofroth, Director of Nutrition Services
Contact Phone Number: (765) 772-8434

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding the internal controls of reporting within our Nutrition Services Department, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. Two staff members in the Nutrition Services Office have been identified and will complete the required reporting. One person will prepare the reports, the second person will review the entries and submit the final report.
2. These identified personnel in the Nutrition Services Office will be trained to understand what is required in regards to internal controls. Training will include both internal (reviewing reports) as well as external (State Board of Accounts) to know what is needed and expected for internal control segregation of duties.
3. All backup documentation to support the reporting entries will be kept in a file for review, if needed.
4. Signatures of the preparer, reviewer, and submitter will be kept with the backup documentation.
5. Additional staff members may be engaged to oversee that the controls are in place.

The changes proposed will prevent future issues with internal controls from occurring by allowing multiple reviews of the documents before being submitted. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

Anticipated Completion Date: July 1, 2018.



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

FINDING 2016-003

Contact Person Responsible for Corrective Action: Lori Shofroth, Director of Nutrition Services
Contact Phone Number: (765) 772-8434

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding asset management within our Nutrition Services Department, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. A full inventory of all nutrition services equipment will be conducted using a third party asset appraisal service vendor.
2. A listing of locations of all equipment will be kept and maintained on an ongoing basis.
3. Any equipment that is disposed of will be updated on the inventory listing to show disposition dates as well as the amount of money received, if any, for the asset.
4. Annual physical reviews will take place by staff members to ensure that the inventory list is accurate.
5. The Director of Nutrition Services will certify to the Chief Financial Officer annually the inventory listing to include the item, date of acquisition, building location and room number, description of asset, initial cost of asset, transfer of equipment from location to location, disposition date and amount sold, if applicable.

The changes proposed will prevent future issues with internal controls from occurring by allowing multiple reviews of the inventory on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

Anticipated Completion Date: October 1, 2018.



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

FINDING 2016-004

Contact Person Responsible for Corrective Action: Amanda M. Brackett, Chief Financial Officer
Contact Phone Number: (765) 772-4915

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding contract management within our school district, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. A checklist will be created to assist in the setup of any new vendors, contracts, and/or agreements.
2. The checklist will include the requirement of checking to see that a vendor/contractor has been suspended/debarred from doing business with the Federal Government.
3. A staff personnel from the Business Office will be assigned to checking the status of suspension/debarment in the Federal Government's database. Documentation supporting this check will be kept.
4. The Chief Financial Officer will approve new vendors, contracts, and/or agreements prior to any business be conducted.

The changes proposed will prevent future issues with internal controls from occurring by allowing a checklist and approval system for new vendors, contracts, and/or agreements on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

Anticipated Completion Date: July 1, 2018.



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

FINDING 2016-005

Contact Person Responsible for Corrective Action: Dr. BeAnn Younker, Director of Student Services
Contact Phone Number: (765) 772-4915

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding time and effort reporting for our employees paid from federal grant programs, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. Monthly meetings will be conducted between the Business Office, Grant Administrators, and other appropriate personnel to ensure that reporting requirements are being met in a timely manner.
2. Included in the monthly meeting will be a review of the prior month's time and effort logs. A review will include making sure that all personnel (as required) have completed and submitted their logs for the prior month, a review for approvals, a review for discrepancies between the timekeeping system and the time and effort logs and a final approval by the grant administrator and the Chief Financial Officer.
3. At the end of each semester, the grant administrator will provide to the Chief Financial Officer a signed semi-annual certifications for those employees paid from one grant program.
4. Additional training will be provided, if needed on the requirements of the form.

The changes proposed will prevent future issues with time and effort reporting on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

Anticipated Completion Date: July 1, 2018



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

FINDING 2016-006

Contact Person Responsible for Corrective Action: Dr. BeAnn Younker, Director of Student Services
Contact Phone Number: (765) 772-4926

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding asset management within our Title I Department, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. A full inventory of all Title I services equipment will be conducted during the summer of 2018.
2. A listing of locations of all equipment will be kept and maintained on an ongoing basis.
3. Any equipment that is disposed of will be updated on the inventory listing to show disposition dates as well as the amount of money received, if any, for the asset.
4. Annual physical reviews will take place by staff members to ensure that the inventory list is accurate.
5. The Director of Student Services will certify to the Chief Financial Officer annually the inventory listing to include the item, date of acquisition, building location and room number, description of asset, initial cost of asset, transfer of equipment from location to location, disposition date and amount sold, if applicable.

The changes proposed will prevent future issues with internal controls from occurring by allowing multiple reviews of the inventory on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

Anticipated Completion Date: October 1, 2018.

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.