

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

AUDIT REPORT  
OF  
LAKELAND SCHOOL CORPORATION  
LAGRANGE COUNTY, INDIANA  
July 1, 2007 to June 30, 2009



**FILED**  
03/08/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara K. Drake Jennifer J. Landez	07-01-07 to 11-30-09 12-01-09 to 06-30-10
Superintendent of Schools	Risa J. Herber	07-01-07 to 06-30-10
President of the School Board	Dean R. Domer Charles W. Park	07-01-07 to 06-30-08 07-01-08 to 06-30-10



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

TO: THE OFFICIALS OF THE LAKELAND SCHOOL CORPORATION, LAGRANGE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakeland School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 26, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 26, 2010



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

TO: THE OFFICIALS OF THE LAKELAND SCHOOL CORPORATION, LAGRANGE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakeland School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

January 26, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,746,941	\$ -	\$ 263,933	\$ (10,483,008)
Support services	6,123,189	587,011	652,711	(4,883,467)
Noninstructional services	912,643	-	-	(912,643)
Facilities acquisition and construction	1,716,160	-	-	(1,716,160)
Debt service	6,232,748	-	-	(6,232,748)
Nonprogrammed charges	<u>72,262</u>	<u>-</u>	<u>-</u>	<u>(72,262)</u>
Total governmental activities	<u>\$ 25,803,943</u>	<u>\$ 587,011</u>	<u>\$ 916,644</u>	<u>(24,300,288)</u>
General receipts:				
Property taxes				9,604,083
Other local sources				1,840,035
State aid				8,086,985
Bonds and loans				5,428,249
Grants and contributions not restricted to specific programs				589,718
Investment earnings				115,557
Other				<u>28,435</u>
Total general receipts				<u>25,693,062</u>
Change in net assets				1,392,774
Net assets - beginning				<u>3,082,021</u>
Net assets - ending				<u>\$ 4,474,795</u>
<u>Assets</u>				
Cash and investments				\$ 4,264,011
Restricted assets:				
Cash and investments				<u>210,784</u>
Total assets				<u>\$ 4,474,795</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 210,784
Unrestricted				<u>4,264,011</u>
Total net assets				<u>\$ 4,474,795</u>

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

LAKELAND SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,212,137	\$ -	\$ 277,676	\$ (9,934,461)
Support services	6,816,760	522,058	745,856	(5,548,846)
Noninstructional services	998,344	-	-	(998,344)
Facilities acquisition and construction	1,275,353	-	-	(1,275,353)
Debt service	6,530,664	-	-	(6,530,664)
Nonprogrammed charges	572,320	-	-	(572,320)
Total governmental activities	<u>\$ 26,405,578</u>	<u>\$ 522,058</u>	<u>\$ 1,023,532</u>	<u>(24,859,988)</u>
General receipts:				
Property taxes				8,731,618
Other local sources				1,552,081
State aid				9,408,345
Bonds and loans				3,489,297
Grants and contributions not restricted to specific programs				1,684,721
Sale of property				16,140
Investment earnings				25,748
Other				20,480
Total general receipts				<u>24,928,430</u>
Change in net assets				68,442
Net assets - beginning				<u>4,474,795</u>
Net assets - ending				<u>\$ 4,543,237</u>
<u>Assets</u>				
Cash and investments				\$ 3,845,119
Restricted assets:				
Cash and investments				<u>698,118</u>
Total assets				<u>\$ 4,543,237</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 698,118
Unrestricted				<u>3,845,119</u>
Total net assets				<u>\$ 4,543,237</u>

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

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

	General	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 5,535,305	\$ 1,607,999	\$ 2,557,604	\$ 2,444,446	\$ 12,145,354
Intermediate sources	468	-	-	863	1,331
State sources	8,273,696	-	-	270,745	8,544,441
Federal sources	-	-	-	1,048,907	1,048,907
Temporary loans	2,755,193	369,825	1,470,515	832,716	5,428,249
Other	12,899	-	600	14,936	28,435
<b>Total receipts</b>	<u>16,577,561</u>	<u>1,977,824</u>	<u>4,028,719</u>	<u>4,612,613</u>	<u>27,196,717</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	10,134,359	-	-	612,582	10,746,941
Support services	3,400,528	-	674,882	2,047,779	6,123,189
Noninstructional services	100	-	1,938	910,605	912,643
Facilities acquisition and construction	-	-	1,688,938	27,222	1,716,160
Debt services	1,521,844	2,732,532	1,409,199	569,173	6,232,748
Nonprogrammed charges	55,037	-	-	17,225	72,262
<b>Total disbursements</b>	<u>15,111,868</u>	<u>2,732,532</u>	<u>3,774,957</u>	<u>4,184,586</u>	<u>25,803,943</u>
Excess (deficiency) of receipts over disbursements	<u>1,465,693</u>	<u>(754,708)</u>	<u>253,762</u>	<u>428,027</u>	<u>1,392,774</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	98,381	98,381
Transfers out	-	(25,625)	-	(72,756)	(98,381)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(25,625)</u>	<u>-</u>	<u>25,625</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,465,693</u>	<u>(780,333)</u>	<u>253,762</u>	<u>453,652</u>	<u>1,392,774</u>
Cash and investments - beginning	<u>690,568</u>	<u>944,673</u>	<u>843,475</u>	<u>603,305</u>	<u>3,082,021</u>
Cash and investments - ending	<u>\$ 2,156,261</u>	<u>\$ 164,340</u>	<u>\$ 1,097,237</u>	<u>\$ 1,056,957</u>	<u>\$ 4,474,795</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 2,156,261	\$ -	\$ 1,097,237	\$ 1,010,513	\$ 4,264,011
Restricted assets:					
Cash and investments	-	164,340	-	46,444	210,784
<b>Total cash and investment assets - ending</b>	<u>\$ 2,156,261</u>	<u>\$ 164,340</u>	<u>\$ 1,097,237</u>	<u>\$ 1,056,957</u>	<u>\$ 4,474,795</u>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ 164,340	\$ -	\$ 46,444	\$ 210,784
Unrestricted	<u>2,156,261</u>	<u>-</u>	<u>1,097,237</u>	<u>1,010,513</u>	<u>4,264,011</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,156,261</u>	<u>\$ 164,340</u>	<u>\$ 1,097,237</u>	<u>\$ 1,056,957</u>	<u>\$ 4,474,795</u>

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

LAKELAND SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009

	General	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 5,216,035	\$ -	\$ 1,152,567	\$ 2,362,930	\$ 2,115,576	\$ 10,847,108
Intermediate sources	346	-	-	-	977	1,323
State sources	9,613,929	-	-	-	248,176	9,862,105
Federal sources	-	1,128,084	-	-	1,109,483	2,237,567
Temporary loans	-	-	772,557	1,616,694	1,100,046	3,489,297
Other	8,483	-	-	-	28,137	36,620
<b>Total receipts</b>	<b>14,838,793</b>	<b>1,128,084</b>	<b>1,925,124</b>	<b>3,979,624</b>	<b>4,602,395</b>	<b>26,474,020</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	9,675,332	-	-	-	536,805	10,212,137
Support services	4,092,440	-	-	667,687	2,056,633	6,816,760
Noninstructional services	450	-	-	4,200	993,694	998,344
Facilities acquisition and construction	-	-	-	1,269,729	5,624	1,275,353
Debt services	2,755,193	-	1,303,447	1,470,515	1,001,509	6,530,664
Nonprogrammed charges	572,320	-	-	-	-	572,320
<b>Total disbursements</b>	<b>17,095,735</b>	<b>-</b>	<b>1,303,447</b>	<b>3,412,131</b>	<b>4,594,265</b>	<b>26,405,578</b>
Excess (deficiency) of receipts over disbursements	(2,256,942)	1,128,084	621,677	567,493	8,130	68,442
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	107,882	107,882
Transfers out	-	-	(28,144)	-	(79,738)	(107,882)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(28,144)</b>	<b>-</b>	<b>28,144</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,256,942)	1,128,084	593,533	567,493	36,274	68,442
Cash and investments - beginning	2,156,261	-	164,340	1,097,237	1,056,957	4,474,795
Cash and investments - ending	\$ (100,681)	\$ 1,128,084	\$ 757,873	\$ 1,664,730	\$ 1,093,231	\$ 4,543,237
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (100,681)	\$ 1,128,084	\$ -	\$ 1,664,730	\$ 1,152,986	\$ 3,845,119
Restricted assets:						
Cash and investments	-	-	757,873	-	(59,755)	698,118
<b>Total cash and investment assets - ending</b>	<b>\$ (100,681)</b>	<b>\$ 1,128,084</b>	<b>\$ 757,873</b>	<b>\$ 1,664,730</b>	<b>\$ 1,093,231</b>	<b>\$ 4,543,237</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 757,873	\$ -	\$ (59,755)	\$ 698,118
Unrestricted	(100,681)	1,128,084	-	1,664,730	1,152,986	3,845,119
<b>Total cash and investment fund balance - ending</b>	<b>\$ (100,681)</b>	<b>\$ 1,128,084</b>	<b>\$ 757,873</b>	<b>\$ 1,664,730</b>	<b>\$ 1,093,231</b>	<b>\$ 4,543,237</b>

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

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

	Pension Trust Funds	Agency Funds
Cash and investment fund balance - beginning	\$ 100,717	
Cash and investment fund balance - ending	\$ 100,717	\$ 60,988
Net assets:		
Cash and investments	\$ 100,717	
Total net assets - cash and investment basis held in trust	\$ 100,717	

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

LAKELAND SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	Pension Trust Funds	Agency Funds
Cash and investment fund balance - beginning	\$ 100,717	
Cash and investment fund balance - ending	\$ 100,717	\$ 85,702
Net assets:		
Cash and investments	\$ 100,717	
Total net assets - cash and investment basis held in trust	\$ 100,717	

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

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Lakeland School Corporation

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

Jointly Governed Organization

The School Corporation is a participant with other school corporations in DeKalb, Noble, Steuben, and LaGrange Counties in a joint venture to operate the Northeast Indiana Special Education Cooperative (Co-op) which was created to provide programs and services for children with exceptional needs. The School Corporation is obligated by contract to remit a proportional assessment annually to supplement the Co-op's budget. The School Corporation is obligated for its share of debts of the Co-op. Complete financial statements for the Co-op can be obtained from DeKalb County Eastern Community School District, 300 East Washington Street, Butler, Indiana, 46721.

The School Corporation is a participant with Elkhart Community Schools in a joint venture to operate the Elkhart Area Career Center (Center) which was created to provide occupational training for those individuals residing within the school corporation. The School Corporation is obligated by contract to remit a sum annually based on the number of students enrolled. The School Corporation is obligated for its share of the debts of the Center. Complete financial statements for the Center can be obtained from Elkhart Community Schools, 2424 California Road, Elkhart, Indiana, 46514.

The School Corporation is a participant with other interested school corporations in DeKalb, Noble, Steuben, and LaGrange Counties in a joint venture to operate the Four County Vocational Cooperative (Co-op) which was created to provide vocational education. The School Corporation is obligated by contract to remit a sum annually based on the number of students enrolled. The School Corporation is obligated for its share of the debts of the Co-op. Complete financial statements for the Co-op can be obtained from Garrett-Keyser-Butler Corporation, 801 East Houston Street, Garrett, Indiana, 46738.

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

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

The fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the of the postretirement/severance future benefits fund, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for others and serve as control accounts for certain cash transactions during the time they are a liability to the School Corporation.

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008	2009
General	\$ -	\$ (100,681)
Textbook Rental	(140,994)	(147,183)
Technology Grant	-	(2,353)
Region 7/8 Tower Rent	-	(3,480)
Out of School Suspension	(10,535)	(9,405)
Retirement Bonds Debt Service	-	(59,755)

LAKELAND SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$4,729,656. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
Debt Service	Other governmental funds	\$ 25,625	\$ 28,144
Other governmental funds	Other governmental funds	<u>72,756</u>	<u>79,738</u>
Totals		<u>\$ 98,381</u>	<u>\$ 107,882</u>

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

IV. Other Information

A. Risk Management

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

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Medical Benefits to Employees

During 2005, the School Corporation joined other governmental entities to form the Northeast Indiana School Corporation Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for six member governmental entities. This risk pool was formed in 2005. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The School Corporation pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporations

The School Corporation has entered into capital leases with Lakeland High School Building Corporation and Lakeland-Parkside School Building Corporation (the lessors). The lessors were organized as (not-for-profit) corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ended June 30, 2008 and 2009, totaled \$1,727,422 and \$566,160, respectively.

C. Contingent Liabilities

There is dispute between the School Corporation and the Lakeland Education Association about the Corporation contributions to the Teachers' Defined Contribution Retirement Plan. No estimate of the probability or the amount of the loss has been made by the School Corporation.

D. Subsequent Events

Lakeland High School Renovation

On January 25, 2010, the School Board approved a \$1,121,130 construction contract with R. E. Crosby and Sons, Inc., for renovations to Lakeland High School. The project will be financed through a lease with Lakeland School Building Corporation.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 134,169
Interest on net pension obligation	(9,768)
Adjustment to annual required contribution	11,131
Annual pension cost	135,532
Contributions made	131,732
Increase in net pension obligation	3,800
Net pension obligation, beginning of year	(134,729)
Net pension obligation, end of year	\$ (130,929)

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 116,616	100%	\$ (153,503)
	06-30-07	138,965	86%	(134,729)
	06-30-08	135,532	97%	(130,929)

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

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$284,597, \$272,792, and \$237,557, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

3. Defined Contribution Pension Plan

401(a) Plan

Plan Description

The School Corporation has a defined contribution pension plan administered by the Variable Life Insurance Company as authorized by IC 5-10-1.1-1. The plan provides retirement benefits to plan members and beneficiaries. The plan was established by a written agreement between the School Corporation and the Lakeland Education Association. The Plan Administrator issues a publically available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

The Variable Life Insurance Company  
2929 Allen Parkway, AG-09  
Houston, Texas 77019  
Ph. (713) 831-4995

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Lakeland Education Association. The School Corporation is required to contribute at an actuarially determined rate. The current rate is 2.5% of annual covered payroll. Employer contributions to the plan for the years ended June 30, 2009, 2008, and 2007, were \$118,569, \$138,692, and \$195,926.

LAKELAND SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,391,428	\$ 2,584,356	\$ (192,928)	93%	\$ 1,921,687	10%
07-01-07	2,616,913	2,725,660	(108,747)	96%	1,932,699	6%
07-01-08	2,582,650	2,779,603	(196,953)	93%	1,982,215	10%

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

	Transportation Operating	Special Education Preschool	School Food and Nutrition	Textbook Rental	Educational License Plates	Alternative Education
<b>Receipts:</b>						
Local sources	\$ 1,315,161	\$ 16,030	\$ 537,978	\$ 115,583	\$ -	\$ -
Intermediate sources	-	-	-	-	863	-
State sources	-	26,180	68,569	68,756	-	6,725
Federal sources	-	-	515,386	-	-	-
Temporary loans	713,294	-	-	-	-	-
Other	13,198	-	-	-	-	-
<b>Total receipts</b>	<b>2,041,653</b>	<b>42,210</b>	<b>1,121,933</b>	<b>184,339</b>	<b>863</b>	<b>6,725</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	35,123	-	-	-	6,725
Support services	1,472,485	-	28,948	215,150	9,088	-
Noninstructional services	-	-	910,605	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	456,022	-	-	-	-	-
Nonprogrammed charges	-	17,225	-	-	-	-
<b>Total disbursements</b>	<b>1,928,507</b>	<b>52,348</b>	<b>939,553</b>	<b>215,150</b>	<b>9,088</b>	<b>6,725</b>
Excess (deficiency) of receipts over disbursements	113,146	(10,138)	182,380	(30,811)	(8,225)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	25,625	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,625</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	113,146	(10,138)	182,380	(5,186)	(8,225)	-
Cash and investments - beginning	236,474	13,757	98,646	(135,808)	9,090	-
Cash and investments - ending	<u>\$ 349,620</u>	<u>\$ 3,619</u>	<u>\$ 281,026</u>	<u>\$ (140,994)</u>	<u>\$ 865</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 349,620	\$ 3,619	\$ 281,026	\$ (140,994)	\$ 865	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 349,620</u></b>	<b><u>\$ 3,619</u></b>	<b><u>\$ 281,026</u></b>	<b><u>\$ (140,994)</u></b>	<b><u>\$ 865</u></b>	<b><u>\$ -</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	349,620	3,619	281,026	(140,994)	865	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 349,620</u></b>	<b><u>\$ 3,619</u></b>	<b><u>\$ 281,026</u></b>	<b><u>\$ (140,994)</u></b>	<b><u>\$ 865</u></b>	<b><u>\$ -</u></b>

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

	Safe Haven Grant	Early Intervention Grant	Riddick Estate	Local Latch Key Funds	Mark Parker/ Dekko	Tobacco Cessation Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697
Intermediate sources	-	-	-	-	-	-
State sources	4,782	16,500	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>4,782</b>	<b>16,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>697</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	16,500	-	-	22	671
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	4,782	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,782</b>	<b>16,500</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>671</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(22)	26
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(22)	26
Cash and investments - beginning	-	-	5,000	15,003	22	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 15,003</u>	<u>\$ -</u>	<u>\$ 26</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ 5,000	\$ 15,003	\$ -	\$ 26
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,000</u></b>	<b><u>\$ 15,003</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	5,000	15,003	-	26
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,000</u></b>	<b><u>\$ 15,003</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26</u></b>

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

	All Day Kindergarten	Refunds - ISTA Section 125	All Write!!! Crystal Leu	All Write!!! 2005-2006	High Ability 2007-2008	Gifted and Talented 2006-2007
<b>Receipts:</b>						
Local sources	\$ 9,671	\$ 1,044	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	2,010	-	-	-	35,214	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>11,681</b>	<b>1,044</b>	<b>-</b>	<b>-</b>	<b>35,214</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	27,064	-	9,015	8,122	34,107	665
Support services	63	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>27,127</b>	<b>-</b>	<b>9,015</b>	<b>8,122</b>	<b>34,107</b>	<b>665</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(15,446)</b>	<b>1,044</b>	<b>(9,015)</b>	<b>(8,122)</b>	<b>1,107</b>	<b>(665)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(15,446)</b>	<b>1,044</b>	<b>(9,015)</b>	<b>(8,122)</b>	<b>1,107</b>	<b>(665)</b>
<b>Cash and investments - beginning</b>	<b>15,446</b>	<b>626</b>	<b>9,015</b>	<b>8,122</b>	<b>-</b>	<b>665</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 1,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,107</b>	<b>\$ -</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 1,670	\$ -	\$ -	\$ 1,107	\$ -
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,107</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,670	-	-	1,107	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,107</b>	<b>\$ -</b>

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

	Tech Prep	Non-English Speaking 2007-2009	Non-English Speaking 2005-2006	Educational Technology	Non-English Speaking 2006-2007	Region 7/8 Tower Rent
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,200
Intermediate sources	-	-	-	-	-	-
State sources	-	42,009	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>42,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,200</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	36,328	4,229	3,800	4,515	-
Support services	920	4	-	-	-	30,144
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>920</b>	<b>36,332</b>	<b>4,229</b>	<b>3,800</b>	<b>4,515</b>	<b>30,144</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(920)</b>	<b>5,677</b>	<b>(4,229)</b>	<b>(3,800)</b>	<b>(4,515)</b>	<b>4,056</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(920)</b>	<b>5,677</b>	<b>(4,229)</b>	<b>(3,800)</b>	<b>(4,515)</b>	<b>4,056</b>
Cash and investments - beginning	920	104	5,389	3,800	4,515	-
Cash and investments - ending	\$ -	\$ 5,781	\$ 1,160	\$ -	\$ -	\$ 4,056
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 5,781	\$ 1,160	\$ -	\$ -	\$ 4,056
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 5,781</b>	<b>\$ 1,160</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,056</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,781	1,160	-	-	4,056
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 5,781</b>	<b>\$ 1,160</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,056</b>

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

	Out of School Suspension	Buddy Grant	Title I 2006-2007	PL 100-297 Title I	Title I 2007-2008	Title I School Improvement
<b>Receipts:</b>						
Local sources	\$ 18,726	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	29,500	-	304,608	40,000
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>18,726</b>	<b>-</b>	<b>29,500</b>	<b>-</b>	<b>304,608</b>	<b>40,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	24,457	-	-	5,773	327,448	30,706
Support services	-	-	-	10,260	1,000	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>24,457</b>	<b>-</b>	<b>-</b>	<b>16,033</b>	<b>328,448</b>	<b>30,706</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(5,731)</b>	<b>-</b>	<b>29,500</b>	<b>(16,033)</b>	<b>(23,840)</b>	<b>9,294</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	49,072	-
Transfers out	-	-	(49,072)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(49,072)</b>	<b>-</b>	<b>49,072</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(5,731)</b>	<b>-</b>	<b>(19,572)</b>	<b>(16,033)</b>	<b>25,232</b>	<b>9,294</b>
<b>Cash and investments - beginning</b>	<b>(4,804)</b>	<b>5,624</b>	<b>19,572</b>	<b>16,033</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ (10,535)</b>	<b>\$ 5,624</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,232</b>	<b>\$ 9,294</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (10,535)	\$ 5,624	\$ -	\$ -	\$ 25,232	\$ 9,294
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (10,535)</b>	<b>\$ 5,624</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,232</b>	<b>\$ 9,294</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(10,535)	5,624	-	-	25,232	9,294
<b>Total cash and investment fund balance - ending</b>	<b>\$ (10,535)</b>	<b>\$ 5,624</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,232</b>	<b>\$ 9,294</b>

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

	Title V 2007-2008	Title V 2005-2006	Title V 2006-2007	Title IV 2007-2008	Substitute Provider Program	Elementary Educate Indiana
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,641	-	-	10,168	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	1,738	-	-	-
<b>Total receipts</b>	<b>3,641</b>	<b>-</b>	<b>1,738</b>	<b>10,168</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	213	-	-	547	-
Support services	-	-	-	-	-	110
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>213</b>	<b>-</b>	<b>-</b>	<b>547</b>	<b>110</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,641</b>	<b>(213)</b>	<b>1,738</b>	<b>10,168</b>	<b>(547)</b>	<b>(110)</b>
<b>Other financing sources (uses):</b>						
Transfers in	23,684	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>23,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>27,325</b>	<b>(213)</b>	<b>1,738</b>	<b>10,168</b>	<b>(547)</b>	<b>(110)</b>
Cash and investments - beginning	-	213	5,268	-	547	110
Cash and investments - ending	<u>\$ 27,325</u>	<u>\$ -</u>	<u>\$ 7,006</u>	<u>\$ 10,168</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 27,325	\$ -	\$ 7,006	\$ 10,168	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 27,325</u>	<u>\$ -</u>	<u>\$ 7,006</u>	<u>\$ 10,168</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,325	-	7,006	10,168	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 27,325</u>	<u>\$ -</u>	<u>\$ 7,006</u>	<u>\$ 10,168</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Universal Service Fund 2006-2007	Universal Service Fund	Title II Part A 2006-2007	Title II Part A 2007-2008	Title III 2006-2007	Title III 2007-2009
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	29,003	10,000	64,684	-	41,917
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>29,003</b>	<b>10,000</b>	<b>64,684</b>	<b>-</b>	<b>41,917</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	36,352
Support services	-	-	33,297	21,556	7,529	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	19,806	2,634	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>19,806</b>	<b>2,634</b>	<b>33,297</b>	<b>21,556</b>	<b>7,529</b>	<b>36,352</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(19,806)</b>	<b>26,369</b>	<b>(23,297)</b>	<b>43,128</b>	<b>(7,529)</b>	<b>5,565</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(23,684)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,684)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(19,806)</b>	<b>26,369</b>	<b>(23,297)</b>	<b>19,444</b>	<b>(7,529)</b>	<b>5,565</b>
<b>Cash and investments - beginning</b>	<b>19,806</b>	<b>-</b>	<b>45,531</b>	<b>-</b>	<b>7,529</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 26,369</b>	<b>\$ 22,234</b>	<b>\$ 19,444</b>	<b>\$ -</b>	<b>\$ 5,565</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 26,369	\$ 22,234	\$ 19,444	\$ -	\$ 5,565
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 26,369</b>	<b>\$ 22,234</b>	<b>\$ 19,444</b>	<b>\$ -</b>	<b>\$ 5,565</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	26,369	22,234	19,444	-	5,565
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 26,369</b>	<b>\$ 22,234</b>	<b>\$ 19,444</b>	<b>\$ -</b>	<b>\$ 5,565</b>

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

	Research Development	Retirement Bonds Debt Service	School Bus Replacement	Construction	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ 99,530	\$ 295,826	\$ -	\$ 2,444,446
Intermediate sources	-	-	-	-	863
State sources	-	-	-	-	270,745
Federal sources	-	-	-	-	1,048,907
Temporary loans	-	-	119,422	-	832,716
Other	-	-	-	-	14,936
<b>Total receipts</b>	<u>-</u>	<u>99,530</u>	<u>415,248</u>	<u>-</u>	<u>4,612,613</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	200	-	-	-	612,582
Support services	-	-	217,225	-	2,047,779
Noninstructional services	-	-	-	-	910,605
Facilities acquisition and construction	-	-	-	-	27,222
Debt services	-	113,151	-	-	569,173
Nonprogrammed charges	-	-	-	-	17,225
<b>Total disbursements</b>	<u>200</u>	<u>113,151</u>	<u>217,225</u>	<u>-</u>	<u>4,184,586</u>
Excess (deficiency) of receipts over disbursements	<u>(200)</u>	<u>(13,621)</u>	<u>198,023</u>	<u>-</u>	<u>428,027</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	98,381
Transfers out	-	-	-	-	(72,756)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,625</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(200)</u>	<u>(13,621)</u>	<u>198,023</u>	<u>-</u>	<u>453,652</u>
Cash and investments - beginning	<u>200</u>	<u>60,065</u>	<u>(177,271)</u>	<u>314,096</u>	<u>603,305</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 46,444</u>	<u>\$ 20,752</u>	<u>\$ 314,096</u>	<u>\$ 1,056,957</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ -	\$ 20,752	\$ 314,096	\$ 1,010,513
Restricted assets:					
Cash and investments	-	46,444	-	-	46,444
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 46,444</u>	<u>\$ 20,752</u>	<u>\$ 314,096</u>	<u>\$ 1,056,957</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ 46,444	\$ -	\$ -	\$ 46,444
Unrestricted	-	-	20,752	314,096	1,010,513
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 46,444</u>	<u>\$ 20,752</u>	<u>\$ 314,096</u>	<u>\$ 1,056,957</u>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	School Food and Nutrition	Textbook Rental	Educational License Plates	Alternative Education
Receipts:						
Local sources	\$ 1,227,464	\$ 14,969	\$ 475,941	\$ 79,455	\$ -	\$ -
Intermediate sources	-	-	-	-	977	-
State sources	-	42,129	-	88,632	-	9,617
Federal sources	-	-	640,299	-	-	-
Temporary loans	917,314	-	-	-	-	-
Other	2,823	-	-	-	-	-
<b>Total receipts</b>	<b>2,147,601</b>	<b>57,098</b>	<b>1,116,240</b>	<b>168,087</b>	<b>977</b>	<b>9,617</b>
Disbursements:						
Current:						
Instruction	-	58,940	-	-	-	9,617
Support services	1,567,125	-	-	202,420	-	-
Noninstructional services	-	-	952,751	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	713,294	-	-	-	-	-
<b>Total disbursements</b>	<b>2,280,419</b>	<b>58,940</b>	<b>952,751</b>	<b>202,420</b>	<b>-</b>	<b>9,617</b>
Excess (deficiency) of receipts over disbursements	(132,818)	(1,842)	163,489	(34,333)	977	-
Other financing sources (uses):						
Transfers in	-	-	-	28,144	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,144</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(132,818)	(1,842)	163,489	(6,189)	977	-
Cash and investments - beginning	349,620	3,619	281,026	(140,994)	865	-
Cash and investments - ending	\$ 216,802	\$ 1,777	\$ 444,515	\$ (147,183)	\$ 1,842	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 216,802	\$ 1,777	\$ 444,515	\$ (147,183)	\$ 1,842	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 216,802</b>	<b>\$ 1,777</b>	<b>\$ 444,515</b>	<b>\$ (147,183)</b>	<b>\$ 1,842</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	216,802	1,777	444,515	(147,183)	1,842	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 216,802</b>	<b>\$ 1,777</b>	<b>\$ 444,515</b>	<b>\$ (147,183)</b>	<b>\$ 1,842</b>	<b>\$ -</b>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Safe Haven Grant	Early Intervention Grant	Riddick Estate	Local Latch Key Funds	Tobacco Cessation Grant	All Day Kindergarten
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,925
Intermediate sources	-	-	-	-	-	-
State sources	3,060	15,000	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>3,060</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,925</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	15,000	-	5,974	26	14,599
Support services	3,060	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,060</b>	<b>15,000</b>	<b>-</b>	<b>5,974</b>	<b>26</b>	<b>14,599</b>
Excess (deficiency) of receipts over disbursements	-	-	-	(5,974)	(26)	2,326
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(5,974)	(26)	2,326
Cash and investments - beginning	-	-	5,000	15,003	26	-
Cash and investments - ending	\$ -	\$ -	\$ 5,000	\$ 9,029	\$ -	\$ 2,326
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ 5,000	\$ 9,029	\$ -	\$ 2,326
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 9,029</b>	<b>\$ -</b>	<b>\$ 2,326</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	5,000	9,029	-	2,326
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 9,029</b>	<b>\$ -</b>	<b>\$ 2,326</b>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Refunds - ISTA Section 125	High Ability 2007-2008	High Ability 2008-2009	Non-English Speaking 2007-2009	Non-English Speaking 2005-2006	Technology Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	35,214	36,877	-	17,647
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	9,174	-	-	-	-	-
<b>Total receipts</b>	<b>9,174</b>	<b>-</b>	<b>35,214</b>	<b>36,877</b>	<b>-</b>	<b>17,647</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	1,107	35,214	37,121	1,160	20,000
Support services	3,600	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,600</b>	<b>1,107</b>	<b>35,214</b>	<b>37,121</b>	<b>1,160</b>	<b>20,000</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>5,574</b>	<b>(1,107)</b>	<b>-</b>	<b>(244)</b>	<b>(1,160)</b>	<b>(2,353)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>5,574</b>	<b>(1,107)</b>	<b>-</b>	<b>(244)</b>	<b>(1,160)</b>	<b>(2,353)</b>
Cash and investments - beginning	1,670	1,107	-	5,781	1,160	-
Cash and investments - ending	<u>7,244</u>	<u>-</u>	<u>-</u>	<u>5,537</u>	<u>-</u>	<u>(2,353)</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 7,244	\$ -	\$ -	\$ 5,537	\$ -	\$ (2,353)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>7,244</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,537</u></b>	<b><u>-</u></b>	<b><u>(2,353)</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,244	-	-	5,537	-	(2,353)
<b>Total cash and investment fund balance - ending</b>	<b><u>7,244</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,537</u></b>	<b><u>-</u></b>	<b><u>(2,353)</u></b>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Region 7/8 Tower Rent	Out of School Suspension	Buddy Grant	Title I 2008-2009	Title I 2007-2008
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	303,553	31,000
Temporary loans	-	-	-	-	-
Other	-	16,140	-	-	-
	<u>-</u>	<u>16,140</u>	<u>-</u>	<u>303,553</u>	<u>31,000</u>
Total receipts	-	16,140	-	303,553	31,000
Disbursements:					
Current:					
Instruction	-	15,010	-	265,032	6,494
Support services	7,536	-	-	34,873	-
Noninstructional services	-	-	-	284	-
Facilities acquisition and construction	-	-	5,624	-	-
Debt services	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	7,536	15,010	5,624	300,189	6,494
Excess (deficiency) of receipts over disbursements	<u>(7,536)</u>	<u>1,130</u>	<u>(5,624)</u>	<u>3,364</u>	<u>24,506</u>
Other financing sources (uses):					
Transfers in	-	-	-	49,738	-
Transfers out	-	-	-	-	(49,738)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,738)</u>
Total other financing sources (uses)	-	-	-	49,738	(49,738)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,536)	1,130	(5,624)	53,102	(25,232)
Cash and investments - beginning	<u>4,056</u>	<u>(10,535)</u>	<u>5,624</u>	<u>-</u>	<u>25,232</u>
Cash and investments - ending	<u>\$ (3,480)</u>	<u>\$ (9,405)</u>	<u>\$ -</u>	<u>\$ 53,102</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ (3,480)	\$ (9,405)	\$ -	\$ 53,102	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (3,480)</u>	<u>\$ (9,405)</u>	<u>\$ -</u>	<u>\$ 53,102</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(3,480)</u>	<u>(9,405)</u>	<u>-</u>	<u>53,102</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ (3,480)</u>	<u>\$ (9,405)</u>	<u>\$ -</u>	<u>\$ 53,102</u>	<u>\$ -</u>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Title I School Improvement	Title V 2007-2008	Title V 2008-2009	Title V 2006-2007	Title IV 2007-2008
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	1,420	-	-
Temporary loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>1,420</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	9,294	-	-	-	-
Support services	-	-	-	7,006	10,168
Noninstructional services	-	27,325	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>9,294</b>	<b>27,325</b>	<b>-</b>	<b>7,006</b>	<b>10,168</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(9,294)</b>	<b>(27,325)</b>	<b>1,420</b>	<b>(7,006)</b>	<b>(10,168)</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	30,000	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(9,294)</b>	<b>(27,325)</b>	<b>31,420</b>	<b>(7,006)</b>	<b>(10,168)</b>
<b>Cash and investments - beginning</b>	<b>9,294</b>	<b>27,325</b>	<b>-</b>	<b>7,006</b>	<b>10,168</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,420</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ -	\$ 31,420	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,420</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	31,420	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,420</b>	<b>\$ -</b>	<b>\$ -</b>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Title IV 2008-2009	Universal Service Fund	Title II Part A 2006-2007	Title II Part A 2007-2008	Title II Part A 2008-2009
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	6,788	-	-	9,000	75,123
Temporary loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<b>6,788</b>	<b>-</b>	<b>-</b>	<b>9,000</b>	<b>75,123</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	-
Support services	-	10,290	8,900	27,844	7,300
Noninstructional services	-	-	13,334	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>10,290</b>	<b>22,234</b>	<b>27,844</b>	<b>7,300</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>6,788</b>	<b>(10,290)</b>	<b>(22,234)</b>	<b>(18,844)</b>	<b>67,823</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(30,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>6,788</b>	<b>(10,290)</b>	<b>(22,234)</b>	<b>(18,844)</b>	<b>37,823</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>26,369</b>	<b>22,234</b>	<b>19,444</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 6,788</b>	<b>\$ 16,079</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ 37,823</b>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 6,788	\$ 16,079	\$ -	\$ 600	\$ 37,823
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,788</b>	<b>\$ 16,079</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ 37,823</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,788	16,079	-	600	37,823
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,788</b>	<b>\$ 16,079</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ 37,823</b>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Title III 2007-2009	Retirement Bonds Debt Service	School Bus Replacement	Construction	Totals
Receipts:					
Local sources	\$ -	\$ 62,593	\$ 238,229	\$ -	\$ 2,115,576
Intermediate sources	-	-	-	-	977
State sources	-	-	-	-	248,176
Federal sources	42,300	-	-	-	1,109,483
Temporary loans	-	-	182,732	-	1,100,046
Other	-	-	-	-	28,137
<b>Total receipts</b>	<b>42,300</b>	<b>62,593</b>	<b>420,961</b>	<b>-</b>	<b>4,602,395</b>
Disbursements:					
Current:					
Instruction	42,217	-	-	-	536,805
Support services	-	-	166,511	-	2,056,633
Noninstructional services	-	-	-	-	993,694
Facilities acquisition and construction	-	-	-	-	5,624
Debt services	-	168,792	119,423	-	1,001,509
<b>Total disbursements</b>	<b>42,217</b>	<b>168,792</b>	<b>285,934</b>	<b>-</b>	<b>4,594,265</b>
Excess (deficiency) of receipts over disbursements	83	(106,199)	135,027	-	8,130
Other financing sources (uses):					
Transfers in	-	-	-	-	107,882
Transfers out	-	-	-	-	(79,738)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,144</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	83	(106,199)	135,027	-	36,274
Cash and investments - beginning	5,565	46,444	20,752	314,096	1,056,957
Cash and investments - ending	<u>\$ 5,648</u>	<u>\$ (59,755)</u>	<u>\$ 155,779</u>	<u>\$ 314,096</u>	<u>\$ 1,093,231</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 5,648	\$ -	\$ 155,779	\$ 314,096	\$ 1,152,986
Restricted assets:					
Cash and investments	-	(59,755)	-	-	(59,755)
<b>Total cash and investment assets - ending</b>	<b><u>\$ 5,648</u></b>	<b><u>\$ (59,755)</u></b>	<b><u>\$ 155,779</u></b>	<b><u>\$ 314,096</u></b>	<b><u>\$ 1,093,231</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ (59,755)	\$ -	\$ -	\$ (59,755)
Unrestricted	5,648	-	155,779	314,096	1,152,986
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 5,648</u></b>	<b><u>\$ (59,755)</u></b>	<b><u>\$ 155,779</u></b>	<b><u>\$ 314,096</u></b>	<b><u>\$ 1,093,231</u></b>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2008

	Payroll
Additions:	
Agency fund additions	\$ 3,835,154
Deductions:	
Agency fund deductions	3,950,348
Deficiency of total additions over total deductions	(115,194)
Cash and investment fund balance - beginning	176,182
Cash and investment fund balance - ending	\$ 60,988

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2009

	Payroll
Additions:	
Agency fund additions	<u>\$ 3,548,432</u>
Deductions:	
Agency fund deductions	<u>3,523,718</u>
Excess of total additions over total deductions	24,714
Cash and investment fund balance - beginning	<u>60,988</u>
Cash and investment fund balance - ending	<u><u>\$ 85,702</u></u>

LAKELAND SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2009

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,190,550
Buildings	30,760,623
Improvements other than buildings	171,950
Machinery and equipment	<u>8,224,840</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 40,347,963</u>

LAKELAND SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Lakeland High School	\$ 3,077,375	\$ 1,123,200
Energy savings	706,250	377,723
Bonds payable:		
General obligation bonds:		
2001 Energy savings improvements	725,000	259,179
2004 Severance liability	<u>540,000</u>	<u>57,816</u>
Total governmental activities debt	<u>\$ 5,048,625</u>	<u>\$ 1,817,918</u>

LAKELAND SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The General, Textbook Rental, Out of School Suspension, Technology Grant, Region 7/8 Tower Rent, and Retirement Bonds Debt Service Funds were overdrawn as of June 30, 2008 and/or June 30, 2009.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE LAKELAND SCHOOL CORPORATION, LAGRANGE COUNTY, INDIANA

Compliance

We have audited the compliance of Lakeland School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Internal Control Over Compliance

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

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

STATE BOARD OF ACCOUNTS

January 26, 2010

LAKELAND SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2008 and 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 101,247	\$ 133,127
National School Lunch Program	10.555		<u>439,742</u>	<u>559,774</u>
Total for federal grantor agency			<u>540,989</u>	<u>692,901</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I Grants to Local Education Agencies	84.010			
		08-4535	328,448	6,494
		09-4535	<u>-</u>	<u>300,189</u>
Total for program			<u>328,448</u>	<u>306,683</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		4535-07	<u>-</u>	<u>10,168</u>
Pass-Through Indiana Department of Workforce Development Tech Prep Education	84.243			
		TP-8-690	<u>-</u>	<u>20,000</u>
Pass-Through Indiana Department of Education Innovative Education Program Strategies	84.298			
		05-238	213	-
		06-4535	-	5,268
		07-4535	<u>-</u>	<u>27,325</u>
Total for program			<u>213</u>	<u>32,593</u>
English Language Acquisition Grants	84.365			
		FY 06-07	7,529	-
		FY 07-08	36,352	5,565
		FY 08-09	<u>-</u>	<u>36,652</u>
Total for program			<u>43,881</u>	<u>42,217</u>
Improving Teacher Quality - State Grants	84.367			
		06-4535	33,297	22,535
		07-4535	45,240	27,844
		08-4535	<u>-</u>	<u>7,300</u>
Total for program			<u>78,537</u>	<u>57,679</u>
School Improvement Grants	84.377			
		07-4535	28,907	-
		08-4535	<u>30,706</u>	<u>9,294</u>
Total for program			<u>59,613</u>	<u>9,294</u>
Total for federal grantor agency			<u>510,692</u>	<u>478,634</u>
Total federal awards expended			<u>\$ 1,051,681</u>	<u>\$ 1,171,535</u>

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

LAKELAND SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
School Breakfast Program	10.553	\$ 16,459	\$ 13,659
National School Lunch Program	10.555	16,417	52,035

LAKELAND SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Education Agencies

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

LAKELAND SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LAKELAND SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 26, 2010, with Risa J. Herber, Superintendent of Schools, and Jennifer J. Landez, Treasurer. The officials concurred with our audit finding.