

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

AUDIT REPORT
OF

LAWRENCEBURG COMMUNITY
SCHOOL CORPORATION
DEARBORN COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
03/19/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pam Taylor	01-01-07 to 12-31-10
Superintendent of Schools	(Office Vacant) R. Stephen Gookins Karl Galey	07-01-07 to 07-10-07 07-11-07 to 06-30-09 07-01-09 to 06-30-12
President of the School Board	Kelly Mollaun Greg McAdams	01-01-07 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE LAWRENCEBURG COMMUNITY
SCHOOL CORPORATION, DEARBORN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lawrenceburg Community 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 February 3, 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 integral part of 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

February 3, 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 LAWRENCEBURG COMMUNITY
SCHOOL CORPORATION, DEARBORN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lawrenceburg Community 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 February 3, 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

February 3, 2010

LAWRENCEBURG COMMUNITY 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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,350,032	\$ -	\$ 199,357	\$ (7,150,675)
Support services	4,936,787	329,071	318,478	(4,289,238)
Noninstructional services	901,885	-	-	(901,885)
Facilities acquisition and construction	902,475	-	-	(902,475)
Debt service	6,807,357	-	-	(6,807,357)
Nonprogrammed charges	576,996	-	-	(576,996)
	<u>\$ 21,475,532</u>	<u>\$ 329,071</u>	<u>\$ 517,835</u>	<u>(20,628,626)</u>
General receipts:				
Property taxes				11,247,098
Other local sources				2,833,388
State aid				2,422,936
Bonds and loans				3,734,232
Grants and contributions not restricted to specific programs				329,082
Sale of property				100
Investment earnings				82,908
Other				11,000
				<u>20,660,744</u>
Total general receipts				<u>20,660,744</u>
Change in net assets				32,118
Net assets - beginning				<u>2,862,426</u>
Net assets - ending				<u>\$ 2,894,544</u>
<u>Assets</u>				
Cash and investments				\$ 1,910,179
Restricted assets:				
Cash and investments				<u>984,365</u>
Total assets				<u>\$ 2,894,544</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 977,890
Other purposes				6,475
Unrestricted				<u>1,910,179</u>
Total net assets				<u>\$ 2,894,544</u>

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

LAWRENCEBURG COMMUNITY 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>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,557,342	\$ -	\$ 227,337	\$ (7,330,005)
Support services	5,936,730	387,847	373,566	(5,175,317)
Noninstructional services	918,539	-	-	(918,539)
Facilities acquisition and construction	1,387,071	-	-	(1,387,071)
Debt service	4,759,915	-	-	(4,759,915)
Nonprogrammed charges	640,941	-	-	(640,941)
Total governmental activities	\$ 21,200,538	\$ 387,847	\$ 600,903	(20,211,788)
General receipts:				
Property taxes				12,158,899
Other local sources				2,392,610
State aid				4,721,888
Bonds and loans				315,400
Grants and contributions not restricted to specific programs				1,357,707
Sale of property				72,095
Investment earnings				25,193
Other				18,541
Total general receipts				21,062,333
Change in net assets				850,545
Net assets - beginning				2,894,544
Net assets - ending				\$ 3,745,089
<u>Assets</u>				
Cash and investments				\$ 2,975,830
Restricted assets:				
Cash and investments				769,259
Total assets				\$ 3,745,089
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 762,181
Other purposes				7,078
Unrestricted				2,975,830
Total net assets				\$ 3,745,089

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

LAWRENCEBURG COMMUNITY 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
Receipts:					
Local sources	\$ 8,954,820	\$ 2,260,505	\$ 2,054,116	\$ 1,222,710	\$ 14,492,151
Intermediate sources	315	-	-	-	315
State sources	2,586,038	-	-	166,101	2,752,139
Federal sources	-	-	-	517,713	517,713
Temporary loans	2,844,935	-	474,627	414,670	3,734,232
Other	11,000	-	-	-	11,000
	14,397,108	2,260,505	2,528,743	2,321,194	21,507,550
Disbursements:					
Current:					
Instruction	6,990,623	-	-	359,409	7,350,032
Support services	3,385,136	-	565,556	986,095	4,936,787
Noninstructional services	273,075	-	-	628,810	901,885
Facilities acquisition and construction	-	-	852,952	49,523	902,475
Debt services	4,182,085	1,747,509	474,627	403,136	6,807,357
Nonprogrammed charges	573,178	-	-	-	573,178
	15,404,097	1,747,509	1,893,135	2,426,973	21,471,714
Excess (deficiency) of receipts over disbursements	(1,006,989)	512,996	635,608	(105,779)	35,836
Other financing sources (uses):					
Sale of capital assets	100	-	-	-	100
Transfers in	358,418	117,623	29,464	39,789	545,294
Transfers out	(1,174)	-	-	(545,294)	(546,468)
	357,344	117,623	29,464	(505,505)	(1,074)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(649,645)	630,619	665,072	(611,284)	34,762
Cash and investments - beginning	1,673,451	347,271	216,028	616,557	2,853,307
Cash and investments - ending	\$ 1,023,806	\$ 977,890	\$ 881,100	\$ 5,273	2,888,069
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					6,475
Net assets of governmental activities					\$ 2,894,544
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,023,806	\$ -	\$ 881,100	\$ 5,273	\$ 1,910,179
Restricted assets:					
Cash and investments	-	977,890	-	-	977,890
Total cash and investment assets - ending	\$ 1,023,806	\$ 977,890	\$ 881,100	\$ 5,273	\$ 2,888,069
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ 977,890	\$ -	\$ -	\$ 977,890
Unrestricted	1,023,806	-	881,100	5,273	1,910,179
Total cash and investment fund balance - ending	\$ 1,023,806	\$ 977,890	\$ 881,100	\$ 5,273	\$ 2,888,069

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

LAWRENCEBURG COMMUNITY 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 - Education	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 8,686,505	\$ -	\$ 1,489,171	\$ 2,695,057	\$ 2,093,501	\$ 14,964,234
Intermediate sources	315	-	-	-	-	315
State sources	4,913,903	-	-	-	173,668	5,087,571
Federal sources	-	907,708	-	-	685,219	1,592,927
Temporary loans	-	-	-	-	315,400	315,400
Other	-	-	-	18,541	-	18,541
Total receipts	13,600,723	907,708	1,489,171	2,713,598	3,267,788	21,978,988
Disbursements:						
Current:						
Instruction	6,727,642	-	-	-	829,700	7,557,342
Support services	4,021,348	-	-	896,911	1,018,471	5,936,730
Noninstructional services	286,140	-	-	-	632,399	918,539
Facilities acquisition and construction	26,380	-	-	1,360,691	-	1,387,071
Debt services	2,748,335	-	1,704,880	-	306,700	4,759,915
Nonprogrammed charges	641,544	-	-	-	-	641,544
Total disbursements	14,451,389	-	1,704,880	2,257,602	2,787,270	21,201,141
Excess (deficiency) of receipts over disbursements	(850,666)	907,708	(215,709)	455,996	480,518	777,847
Other financing sources (uses):						
Sale of capital assets	-	-	-	72,095	-	72,095
Transfers in	-	-	-	-	3,796	3,796
Transfers out	-	-	-	-	(3,796)	(3,796)
Total other financing sources (uses)	-	-	-	72,095	-	72,095
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(850,666)	907,708	(215,709)	528,091	480,518	849,942
Cash and investments - beginning	1,023,806	-	977,890	881,100	5,273	2,888,069
Cash and investments - ending	\$ 173,140	\$ 907,708	\$ 762,181	\$ 1,409,191	\$ 485,791	3,738,011
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>7,078</u>
Net assets of governmental activities						<u>\$ 3,745,089</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 173,140	\$ 907,708	\$ -	\$ 1,409,191	\$ 485,791	\$ 2,975,830
Restricted assets:						
Cash and investments	-	-	762,181	-	-	762,181
Total cash and investment assets - ending	\$ 173,140	\$ 907,708	\$ 762,181	\$ 1,409,191	\$ 485,791	\$ 3,738,011
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 762,181	\$ -	\$ -	\$ 762,181
Unrestricted	173,140	907,708	-	1,409,191	485,791	2,975,830
Total cash and investment fund balance - ending	\$ 173,140	\$ 907,708	\$ 762,181	\$ 1,409,191	\$ 485,791	\$ 3,738,011

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

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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 35,114
Operating disbursements:	
Insurance claims and expense	19,165
Other	<u>19,767</u>
Total operating disbursements	<u>38,932</u>
Deficiency of operating receipts over operating disbursements	(3,818)
Transfers in	<u>1,174</u>
Change in net assets	(2,644)
Cash and investment fund balance - beginning	<u>9,119</u>
Cash and investment fund balance - ending	<u>\$ 6,475</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 6,475
Total cash and investment assets - ending	<u>\$ 6,475</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 6,475
Total cash and investment fund balance - ending	<u>\$ 6,475</u>

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

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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 37,375
Operating disbursements:	
Other	<u>36,772</u>
Change in net assets	603
Cash and investment fund balance - beginning	<u>6,475</u>
Cash and investment fund balance - ending	<u>\$ 7,078</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 7,078</u>
Total cash and investment assets - ending	<u>\$ 7,078</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 7,078</u>
Total cash and investment fund balance - ending	<u>\$ 7,078</u>

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

LAWRENCEBURG COMMUNITY 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	Private-Purpose Trust Funds	Funds
Additions:			
Contributions:			
Employer	\$ 18,775	\$ -	
Other	-	100	
Total contributions	18,775	100	
Investment earnings:			
Interest	-	5,674	
Total additions	18,775	5,774	
Deductions:			
Administrative and general	-	2,056	
Excess of total additions over total deductions	18,775	3,718	
Cash and investment fund balance - beginning	29,162	102,781	
Cash and investment fund balance - ending	\$ 47,937	\$ 106,499	\$ 7,960
Net assets:			
Cash and investments	\$ 47,937	\$ 106,499	
Total net assets - cash and investment basis held in trust	\$ 47,937	\$ 106,499	

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

LAWRENCEBURG COMMUNITY 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	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 18,775	\$ -	
Investment earnings:			
Interest	-	3,685	
Total additions	18,775	3,685	
Deductions:			
Administrative and general	-	7,105	
Excess (deficiency) of total additions over total deductions	18,775	(3,420)	
Cash and investment fund balance - beginning	47,937	106,499	
Cash and investment fund balance - ending	\$ 66,712	\$ 103,079	\$ 9,365
Net assets:			
Cash and investments	\$ 66,712	\$ 103,079	
Total net assets - cash and investment basis held in trust	\$ 66,712	\$ 103,079	

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

LAWRENCEBURG COMMUNITY 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 Primary Government.

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

Joint Venture

The School Corporation is a participant with other school corporations in a joint venture to operate the Ripley-Ohio-Dearborn Special Cooperative (Co-op) which was created to provide special education services. The School Corporation is obligated by contract to remit an annual amount based on the contractual funding formula to supplement the Co-op. Payments to the Co-op during the school year 2008-2009 were \$561,332. Complete financial statements for the Co-op can be obtained from the Co-op's administrative office at Sunman-Dearborn Community School Corporation, Sunman, Indiana.

The School Corporation is a participant with other school corporations in a joint venture to operate the Southeastern Career Center (Career Center) which was created to provide vocational education services. The School Corporation is obligated by contract to remit an annual amount based on the contractual funding formula to supplement the Career Center. Payments to the Career Center during the school year 2008-2009 were \$176,382. Complete financial statements for the Career Center can be obtained from the Career Center's administrative office at Versailles, Indiana.

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.

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 fiscal stabilization - education (stimulus) 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.

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.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for financial transactions of the School Corporation's self-insured dental plan.

The pension trust funds account for the activities and accumulate resources for the School Corporation's post-employment and severance benefits payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the high school seniors with scholarship funds.

Agency funds account for assets held by the School Corporation as an agent for various federal and state agencies, and private insurance companies and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes 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 December 31 of the year collected.

3. Capital Assets

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

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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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

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 as authorized by state statute:

Fund	2008	2009
School Lunch	\$ 27,827	\$ -
Textbook Rental	90,802	93,981
Latchkey	662	-

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The 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

Statutory Authorization for Investments

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

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

Transfer From	Transfer To	2008	2009
General Fund	Internal Service Fund	\$ 1,174	\$ -
Other governmental funds	General Fund	358,418	-
Other governmental funds	Debt Service	117,623	-
Other governmental funds	Capital Projects	29,464	-
Other governmental funds	Other governmental funds	39,789	3,796
Totals		\$ 546,468	\$ 3,796

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; and natural disasters.

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

Dental Benefits

The School Corporation has chosen to establish a risk financing fund for risks associated with dental benefits. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. A premium is charged to the fund that accounts for employee payroll and School Corporation contribution. The total charge allocated to the fund is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Medical Benefits to Employees

During 1999, the School Corporation joined with other governmental entities to form the South-eastern Indiana Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for eight member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to administrators and all eligible employees. The School Corporation pays an annual premium to

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

the risk pool for its medical benefits to employee's coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$100,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$100,000 in a plan year.

B. Related Party Transactions

During the period for which financial statements are presented, the School Corporation had material transactions with Seitz Insurance Agency, Inc., in which George M. Seitz is part owner and his spouse, Shirley A. Seitz, is a member of the School Corporation Board. The School Corporation paid insurance premiums totaling \$271,426 during school years 2007-2008 and 2008-2009.

C. Holding Corporation

The School Corporation has entered into a capital lease with Lawrenceburg Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the school year 2008-2009 totaled \$1,656,500.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 96,073
Interest on net pension obligation	(13,092)
Adjustment to annual required contribution	14,919
Annual pension cost	97,900
Contributions made	113,743
Decrease in net pension obligation	(15,843)
Net pension obligation, beginning of year	(180,581)
Net pension obligation, end of year	\$ (196,424)

	PERF
Contribution rates:	
School Corporation	6.5%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 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%

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 104,023	97%	\$ (204,304)
	06-30-07	125,043	81%	(180,581)
	06-30-08	97,900	116%	(196,424)

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

Teachers' Retirement Fund

Plan Description

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

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

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

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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 7.25% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$266,735, \$249,371, and \$219,348, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

LAWRENCEBURG COMMUNITY 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,878,176	\$ 1,953,434	\$ (75,258)	96%	\$ 1,801,578	(4%)
07-01-07	2,086,052	2,035,274	50,778	102%	1,475,777	3%
07-01-08	2,298,837	2,319,653	(20,816)	99%	1,727,760	(1%)

LAWRENCEBURG COMMUNITY 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 Lunch	Textbook Rental	Levy Excess	Education License Plate	Early Intervention
Receipts:							
Local sources	\$ 579,945	\$ 21,288	\$ 304,542	\$ 107,038	\$ -	\$ -	\$ -
State sources	-	27,579	10,571	39,938	-	-	51,758
Federal sources	-	-	267,968	-	-	-	-
Temporary loans	414,670	-	-	-	-	-	-
Total receipts	<u>994,615</u>	<u>48,867</u>	<u>583,081</u>	<u>146,976</u>	<u>-</u>	<u>-</u>	<u>51,758</u>
Disbursements:							
Current:							
Instruction	-	56,369	-	-	-	-	-
Support services	677,662	-	-	181,199	-	-	2,235
Noninstructional services	-	-	612,866	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	49,523
Debt services	403,136	-	-	-	-	-	-
Total disbursements	<u>1,080,798</u>	<u>56,369</u>	<u>612,866</u>	<u>181,199</u>	<u>-</u>	<u>-</u>	<u>51,758</u>
Excess (deficiency) of receipts over disbursements	<u>(86,183)</u>	<u>(7,502)</u>	<u>(29,785)</u>	<u>(34,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	34,220	851	-	-	-	-	-
Transfers out	-	-	-	-	(543,998)	(1,296)	-
Total other financing sources (uses)	<u>34,220</u>	<u>851</u>	<u>-</u>	<u>-</u>	<u>(543,998)</u>	<u>(1,296)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(51,963)</u>	<u>(6,651)</u>	<u>(29,785)</u>	<u>(34,223)</u>	<u>(543,998)</u>	<u>(1,296)</u>	<u>-</u>
Cash and investments - beginning	<u>51,963</u>	<u>8,965</u>	<u>1,958</u>	<u>(56,579)</u>	<u>543,998</u>	<u>1,296</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,314</u>	<u>\$ (27,827)</u>	<u>\$ (90,802)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ -</u>	<u>\$ 2,314</u>	<u>\$ (27,827)</u>	<u>\$ (90,802)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ -</u>	<u>\$ 2,314</u>	<u>\$ (27,827)</u>	<u>\$ (90,802)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAWRENCEBURG COMMUNITY 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)

	Cape Grant	Arts Grant from PSEG	Community Mental Health	Homework Assistance Program	CASA/ Drug Free	Non-English Speaking Program	School Technology
Receipts:							
Local sources	\$ 39,737	\$ 3,000	\$ -	\$ 24,043	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	3,931	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Total receipts	39,737	3,000	-	24,043	-	3,931	-
Disbursements:							
Current:							
Instruction	14,672	3,000	-	15,160	240	-	-
Support services	25,895	-	1,963	-	-	-	(7,295)
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	40,567	3,000	1,963	15,160	240	-	(7,295)
Excess (deficiency) of receipts over disbursements	(830)	-	(1,963)	8,883	(240)	3,931	7,295
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(830)	-	(1,963)	8,883	(240)	3,931	7,295
Cash and investments - beginning	(2,203)	-	1,963	9,879	1,138	181	(7,295)
Cash and investments - ending	\$ (3,033)	\$ -	\$ -	\$ 18,762	\$ 898	\$ 4,112	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ (3,033)	\$ -	\$ -	\$ 18,762	\$ 898	\$ 4,112	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ (3,033)	\$ -	\$ -	\$ 18,762	\$ 898	\$ 4,112	\$ -

LAWRENCEBURG COMMUNITY 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)

	Gifted and Talented	Latchkey	ECIA Title I P.L. 103-382	Title I 2006-2007	Title I 2007-2008	Title I Part A 2006-2007	Drug Free Schools 2006-2007
Receipts:							
Local sources	\$ -	\$ 31,809	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	32,324	-	-	-	-	-	-
Federal sources	-	-	11,525	16,614	154,148	2,689	-
Temporary loans	-	-	-	-	-	-	-
Total receipts	32,324	31,809	11,525	16,614	154,148	2,689	-
Disbursements:							
Current:							
Instruction	19,638	13,838	10,158	16,614	154,148	-	-
Support services	-	-	-	-	-	2,689	5,229
Noninstructional services	-	15,944	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	19,638	29,782	10,158	16,614	154,148	2,689	5,229
Excess (deficiency) of receipts over disbursements	12,686	2,027	1,367	-	-	-	(5,229)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,686	2,027	1,367	-	-	-	(5,229)
Cash and investments - beginning	-	(2,689)	-	-	-	-	5,229
Cash and investments - ending	<u>\$ 12,686</u>	<u>\$ (662)</u>	<u>\$ 1,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 12,686</u>	<u>\$ (662)</u>	<u>\$ 1,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 12,686</u>	<u>\$ (662)</u>	<u>\$ 1,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAWRENCEBURG COMMUNITY 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)

	Drug Free Schools 2007-2008	Medicaid Reimbursement Federal	Title II A Teacher Quality	Title II Part D	Transportation School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 111,308	\$ 1,222,710
State sources	-	-	-	-	-	166,101
Federal sources	5,507	-	58,662	600	-	517,713
Temporary loans	-	-	-	-	-	414,670
Total receipts	5,507	-	58,662	600	111,308	2,321,194
Disbursements:						
Current:						
Instruction	-	-	55,572	-	-	359,409
Support services	3,610	1,292	3,090	5,100	83,426	986,095
Noninstructional services	-	-	-	-	-	628,810
Facilities acquisition and construction	-	-	-	-	-	49,523
Debt services	-	-	-	-	-	403,136
Total disbursements	3,610	1,292	58,662	5,100	83,426	2,426,973
Excess (deficiency) of receipts over disbursements	1,897	(1,292)	-	(4,500)	27,882	(105,779)
Other financing sources (uses):						
Transfers in	-	-	-	-	4,718	39,789
Transfers out	-	-	-	-	-	(545,294)
Total other financing sources (uses)	-	-	-	-	4,718	(505,505)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,897	(1,292)	-	(4,500)	32,600	(611,284)
Cash and investments - beginning	1,000	6,725	-	4,500	46,528	616,557
Cash and investments - ending	<u>\$ 2,897</u>	<u>\$ 5,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,128</u>	<u>\$ 5,273</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 2,897</u>	<u>\$ 5,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,128</u>	<u>\$ 5,273</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 2,897</u>	<u>\$ 5,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,128</u>	<u>\$ 5,273</u>

LAWRENCEBURG COMMUNITY 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Safe Haven Grant	Early Intervention	Cape Grant
Receipts:							
Local sources	\$ 906,137	\$ 17,010	\$ 342,086	\$ 240,637	\$ -	\$ -	\$ 39,518
State sources	-	33,293	10,340	42,505	7,708	44,500	-
Federal sources	-	-	320,721	-	-	-	-
Temporary loans	315,400	-	-	-	-	-	-
Total receipts	1,221,537	50,303	673,147	283,142	7,708	44,500	39,518
Disbursements:							
Current:							
Instruction	-	52,617	-	-	-	44,500	10,527
Support services	583,533	-	-	286,321	7,708	-	29,009
Noninstructional services	-	-	592,799	-	-	-	-
Debt services	306,700	-	-	-	-	-	-
Total disbursements	890,233	52,617	592,799	286,321	7,708	44,500	39,536
Excess (deficiency) of receipts over disbursements	331,304	(2,314)	80,348	(3,179)	-	-	(18)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	331,304	(2,314)	80,348	(3,179)	-	-	(18)
Cash and investments - beginning	-	2,314	(27,827)	(90,802)	-	-	(3,033)
Cash and investments - ending	\$ 331,304	\$ -	\$ 52,521	\$ (93,981)	\$ -	\$ -	\$ (3,051)
Cash and Investment Assets - Ending							
Cash and investments	\$ 331,304	\$ -	\$ 52,521	\$ (93,981)	\$ -	\$ -	\$ (3,051)
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 331,304	\$ -	\$ 52,521	\$ (93,981)	\$ -	\$ -	\$ (3,051)

LAWRENCEBURG COMMUNITY 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)

	Plato Project	Project Lead the Way	Athletic Training	Waterford Reading Program	Alternative to Supervision	Durante Grant
Receipts:						
Local sources	\$ 97,215	\$ 83,511	\$ 7,500	\$ 95,893	\$ 62,970	\$ 2,019
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Total receipts	97,215	83,511	7,500	95,893	62,970	2,019
Disbursements:						
Current:						
Instruction	101,528	87,604	-	95,893	69,726	2,019
Support services	-	-	-	-	-	-
Noninstructional services	-	-	7,500	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	101,528	87,604	7,500	95,893	69,726	2,019
Excess (deficiency) of receipts over disbursements	(4,313)	(4,093)	-	-	(6,756)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,313)	(4,093)	-	-	(6,756)	-
Cash and investments - beginning	-	-	-	-	-	-
Cash and investments - ending	<u>\$ (4,313)</u>	<u>\$ (4,093)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,756)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ (4,313)</u>	<u>\$ (4,093)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,756)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ (4,313)</u>	<u>\$ (4,093)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,756)</u>	<u>\$ -</u>

LAWRENCEBURG COMMUNITY 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)

	Teacher Mentor Training	Homework Assistance Program	CASA/ Drug Free	Non-English Speaking Program	Gifted and Talented	Latchkey
Receipts:						
Local sources	\$ 5,706	\$ 1,273	\$ -	\$ -	\$ -	\$ 31,152
State sources	-	-	-	2,998	32,324	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
	<u>5,706</u>	<u>1,273</u>	<u>-</u>	<u>2,998</u>	<u>32,324</u>	<u>31,152</u>
Disbursements:						
Current:						
Instruction	-	19,106	189	6,538	33,875	-
Support services	5,706	-	-	-	-	-
Noninstructional services	-	-	-	-	-	30,490
Debt services	-	-	-	-	-	-
	<u>5,706</u>	<u>19,106</u>	<u>189</u>	<u>6,538</u>	<u>33,875</u>	<u>30,490</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(17,833)</u>	<u>(189)</u>	<u>(3,540)</u>	<u>(1,551)</u>	<u>662</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(17,833)</u>	<u>(189)</u>	<u>(3,540)</u>	<u>(1,551)</u>	<u>662</u>
Cash and investments - beginning	<u>-</u>	<u>18,762</u>	<u>898</u>	<u>4,112</u>	<u>12,686</u>	<u>(662)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 929</u>	<u>\$ 709</u>	<u>\$ 572</u>	<u>\$ 11,135</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ 929</u>	<u>\$ 709</u>	<u>\$ 572</u>	<u>\$ 11,135</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ 929</u>	<u>\$ 709</u>	<u>\$ 572</u>	<u>\$ 11,135</u>	<u>\$ -</u>

LAWRENCEBURG COMMUNITY 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)

	ECIA Title I P.L. 103-382	Title I Part D 2008-2009	Title I 2007-2008	Title I 2008-2009	Title V, Part A Innovative Program	Drug Free Schools
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	3,200	41,694	15,000	210,044	2,746	-
Temporary loans	-	-	-	-	-	-
Total receipts	3,200	41,694	15,000	210,044	2,746	-
Disbursements:						
Current:						
Instruction	2,990	17,593	12,781	203,401	-	-
Support services	-	-	-	299	2,746	2,897
Noninstructional services	-	-	-	1,610	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,990	17,593	12,781	205,310	2,746	2,897
Excess (deficiency) of receipts over disbursements	210	24,101	2,219	4,734	-	(2,897)
Other financing sources (uses):						
Transfers in	-	1,577	-	2,219	-	-
Transfers out	(1,577)	-	(2,219)	-	-	-
Total other financing sources (uses)	(1,577)	1,577	(2,219)	2,219	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,367)	25,678	-	6,953	-	(2,897)
Cash and investments - beginning	1,367	-	-	-	-	2,897
Cash and investments - ending	\$ -	\$ 25,678	\$ -	\$ 6,953	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 25,678	\$ -	\$ 6,953	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 25,678	\$ -	\$ 6,953	\$ -	\$ -

LAWRENCEBURG COMMUNITY 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 IVA Safe/Drug Free 2008-2009	Medicaid Reimbursement Federal	Title II, Part A Teacher Quality	Title III Language Instruction	Transportation School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 1,275	\$ 159,599	\$ 2,093,501
State sources	-	-	-	-	-	173,668
Federal sources	6,584	-	85,230	-	-	685,219
Temporary loans	-	-	-	-	-	315,400
Total receipts	6,584	-	85,230	1,275	159,599	3,267,788
Disbursements:						
Current:						
Instruction	-	-	68,813	-	-	829,700
Support services	1,961	1,558	16,417	-	80,316	1,018,471
Noninstructional services	-	-	-	-	-	632,399
Debt services	-	-	-	-	-	306,700
Total disbursements	1,961	1,558	85,230	-	80,316	2,787,270
Excess (deficiency) of receipts over disbursements	4,623	(1,558)	-	1,275	79,283	480,518
Other financing sources (uses):						
Transfers in	-	-	-	-	-	3,796
Transfers out	-	-	-	-	-	(3,796)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,623	(1,558)	-	1,275	79,283	480,518
Cash and investments - beginning	-	5,433	-	-	79,128	5,273
Cash and investments - ending	<u>\$ 4,623</u>	<u>\$ 3,875</u>	<u>\$ -</u>	<u>\$ 1,275</u>	<u>\$ 158,411</u>	<u>\$ 485,791</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 4,623</u>	<u>\$ 3,875</u>	<u>\$ -</u>	<u>\$ 1,275</u>	<u>\$ 158,411</u>	<u>\$ 485,791</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 4,623</u>	<u>\$ 3,875</u>	<u>\$ -</u>	<u>\$ 1,275</u>	<u>\$ 158,411</u>	<u>\$ 485,791</u>

LAWRENCEBURG COMMUNITY 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	\$ 476,000
Buildings	65,818,741
Improvements other than buildings	3,149,124
Machinery and equipment	<u>2,624,652</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 72,068,517</u>

LAWRENCEBURG COMMUNITY 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:		
Primary school construction and middle school renovation	\$ 19,400,000	\$ 1,667,500

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the School Lunch Fund, Textbook Rental Fund, and Latchkey Fund were overdrawn by \$27,827, \$90,802, and \$662 respectively, at June 30, 2008. The cash balance of the Textbook Rental Fund was overdrawn by \$93,981 at June 30, 2009.

The cash 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)

A similar comment was included in prior Report B31757.

PUBLIC WORKS PROJECTS COSTING LESS THAN \$50,000

A review of expenditures noted public work type projects without evidence presented for audit that three quotes were requested, received, or approved. Examples of these projects were the purchase and installation of lockers for \$48,193 and the purchase and installation of gym seating for \$32,905.

IC 36-1-12-5 states in part the following:

"(a) This section applies whenever a public work project is estimated to cost less than fifty thousand dollars (\$50,000) . . ."

"(b) The board must proceed under the following provisions:

- (1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.
- (2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.
- (3) The board shall award the contract for the public work to the lowest responsible and responsive quoter.
- (4) The board may reject all quotes submitted.
- (5) If the board rejects all quotes under subdivision (4) of this section, the board may negotiate and enter into agreements for the work in the open market without inviting or receiving quotes if the board establishes in writing the reasons for rejecting the quotes."

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 LAWRENCEBURG COMMUNITY
SCHOOL CORPORATION, DEARBORN COUNTY, INDIANA

Compliance

We have audited the compliance of the Lawrenceburg Community 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 its major federal program for the years ended June 30, 2008 and 2009. The School Corporation's major federal program is 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 its major federal program 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 its major federal program 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

February 3, 2010

LAWRENCEBURG COMMUNITY 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	FY 08	\$ 76,902	\$ -
		FY 09	-	95,856
National School Lunch Program	10.555	FY 08	226,440	-
		FY 09	-	268,841
Total for federal grantor agency			<u>303,342</u>	<u>364,697</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010	07-1620	16,614	-
		08-1620	154,148	15,000
		09-1620	-	205,310
		08-1620 Part D, Subpart 2	10,158	4,567
		09-1620 Part D, Subpart 2	-	17,593
Total for program			<u>180,920</u>	<u>242,470</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	05-045	5,229	-
		1620-06	3,610	2,897
		1620-07	-	1,961
Total for program			<u>8,839</u>	<u>4,858</u>
State Grants for Innovative Programs	84.298	06-1620	2,689	-
		07-1620	-	2,746
Total for program			<u>2,689</u>	<u>2,746</u>
Education Technology State Grants	84.318	05-1620	5,100	-
Improving Teacher Quality State Grants	84.367	06-1620	58,662	-
		07-1620	-	85,230
Total for program			<u>58,662</u>	<u>85,230</u>
Total for federal grantor agency			<u>258,899</u>	<u>338,050</u>
Total federal awards expended			<u>\$ 559,552</u>	<u>\$ 700,001</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Lawrenceburg 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 corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

LAWRENCEBURG COMMUNITY 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 Educational Agencies

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 3, 2010, with Karl Galey, Superintendent of Schools; Pam Taylor, Treasurer; and Greg McAdams, President of the School Board.