

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LAKELAND SCHOOL CORPORATION  
LAGRANGE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

02/16/2012



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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 06-30-12
Superintendent of Schools	Risa J. Herber	07-01-09 to 06-30-12
President of the School Board	Charles W. Park Robert Bond	07-01-09 to 6-30-10 07-01-10 to 6-30-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
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 statement of the Lakeland School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 2012, 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 THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 19, 2012



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

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

We have audited the financial statement of the Lakeland School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 19, 2012. 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 statement, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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, School Board, others within the entity, 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 19, 2012

## FINANCIAL STATEMENT

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

LAKELAND SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ (100,681)	\$ 13,432,172	\$ 12,192,956	\$ 6,087	\$ 1,144,622	\$ 13,634,107	\$ 13,481,255	\$ -	\$ 1,297,474	
Debt Service	757,873	2,281,998	2,180,324	(16,405)	843,142	1,470,412	1,328,457	(104,000)	881,097	
Retirement Bonds Debt Service	(59,755)	182,581	57,816	-	65,010	112,758	112,688	-	65,080	
Capital Projects	1,664,730	4,539,759	4,259,647	-	1,944,842	2,258,588	2,754,100	-	1,449,330	
Transportation Operating	216,802	3,091,191	2,515,764	629	792,858	1,498,010	1,844,273	35,697	482,292	
School Bus Replacement	155,779	349,420	469,487	-	35,712	211,878	268,867	-	(21,277)	
Special Education Preschool	1,777	27,500	23,190	(6,087)	-	-	-	-	-	
Rainy Day	-	-	-	-	-	-	-	104,000	104,000	
Pension Trust Funds	100,717	-	-	-	100,717	-	100,717	-	-	
Construction	314,096	-	126,424	126,424	314,096	-	314,096	-	-	
H.S. New Tech Major Moves	-	135,000	135,000	-	-	863,690	886,746	-	(23,056)	
H.S. New Tech Bond Sale	-	-	-	210,000	210,000	-	210,000	-	-	
School Food and Nutrition	444,515	1,205,440	1,045,615	-	604,340	1,203,468	1,021,293	-	786,515	
Textbook Rental	(147,183)	176,125	204,571	16,405	(159,224)	164,598	165,715	-	(160,341)	
Levy Excess	-	-	-	-	-	65,851	-	(34,993)	30,858	
Latch Key Program	-	-	-	-	-	6,668	9,551	9,029	6,146	
Educational License Plates	1,842	394	-	-	2,236	450	-	-	2,686	
Alternative Education	-	11,061	11,061	-	-	10,336	10,336	-	-	
Safe Haven CJI SRO 09-10	-	15,000	15,000	-	-	-	-	-	-	
Safe Haven CJI Grant 09-10	-	5,000	5,000	-	-	-	-	-	-	
Safe Haven CJI SRO 10-11	-	-	-	-	-	16,499	16,499	-	-	
Early Intervention Grant 09-10	-	15,000	12,305	-	2,695	-	2,695	-	-	
Early Intervention Grant 10-11	-	-	-	-	-	15,000	11,323	-	3,677	
Riddick Estate	5,000	-	-	-	5,000	-	-	-	5,000	
Local Latch Key Funds	9,029	-	-	-	9,029	-	-	(9,029)	-	
Lilly Foundation New Tech	-	100,000	100,000	-	-	237,107	236,662	-	445	
C.E.L.L. Grant - Leading Edge	-	125,000	705	-	124,295	-	82,114	-	42,181	
All Day Kindergarten	2,326	-	2,326	-	-	-	-	-	-	
FDK Payments 09-10	-	20,538	16,605	-	3,933	-	3,933	-	-	
FDK Payments 10-11	-	-	-	-	-	6,270	6,270	-	-	
Refunds - ISTA Section 125	7,244	-	-	-	7,244	1,542	-	-	8,786	
High Ability 09-10	-	34,627	32,136	-	2,491	-	2,491	-	-	
High Ability 10-11	-	-	-	-	-	34,108	33,218	-	890	
Talent Initiative Grant	-	-	-	-	-	25,000	-	-	25,000	
Non-English Speaking 2007-2009	5,537	-	5,537	-	-	-	-	-	-	
Non-English Speaking 2009-2010	-	35,257	30,473	-	4,784	-	4,784	-	-	
Non-English Speaking 2010-2011	-	-	-	-	-	27,756	27,756	-	-	
Connectivity Funds	-	-	-	-	-	3,288	1,220	-	2,068	
Technology Grant	(2,353)	2,353	-	-	-	-	-	-	-	
PLTW Grant 09-10	-	15,000	15,000	-	-	-	-	-	-	
PLTW Grant 10-11	-	-	-	-	-	12,247	12,247	-	-	
Region 7/8 Tower Rent	(3,480)	-	-	-	(3,480)	-	-	-	(3,480)	

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

LAKELAND SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011  
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Wellness - Insurance Consort	-	21,999	14,936	-	7,063	21,999	13,249	-	15,813
ING Grant (W/M)	-	-	-	-	-	2,001	1,710	-	291
Excess PTRC Distributions	-	34,993	-	-	34,993	-	15,682	-	19,311
Dollar General Grant (L/B)	-	-	-	-	-	2,317	2,317	-	-
Dollar General Grant (LHS)	-	-	-	-	-	5,000	5,000	-	-
Out of School Suspension	(9,405)	-	15,571	16,942	(8,034)	-	15,416	23,690	240
Title I 2008-2009	53,102	30,001	83,103	-	-	-	-	-	-
Title I 2009-2010	-	384,645	328,919	-	55,726	32,618	88,344	-	-
Title I 2010-2011	-	-	-	-	-	317,238	345,836	-	(28,598)
Title V 2008-2009	31,420	-	31,420	-	-	-	-	-	-
Title I Migrant, P.L. 100-297	-	-	-	-	-	33,500	33,500	-	-
Title IV 2008-2009	6,788	-	6,788	-	-	-	-	-	-
Title IV 2009-2010	-	8,184	8,184	-	-	-	-	-	-
Universal Service Fund	16,079	4,323	7,886	-	12,516	-	9,800	-	2,716
Title II, Part A 2007-2008	600	-	600	-	-	-	-	-	-
Title II, Part A 2008-2009	37,823	-	37,823	-	-	-	-	-	-
Title II, Part A 2009-2010	-	-	24,855	-	(24,855)	72,663	48,543	-	(735)
Title II, Part A 2010-2011	-	-	-	-	-	23,827	30,177	-	(6,350)
Title III, 2007-2009	5,648	-	5,648	-	-	-	-	-	-
Title III, 2009-2010	-	26,180	33,283	-	(7,103)	9,700	2,597	-	-
Title III 2010-2011	-	-	-	-	-	29,641	31,595	-	(1,954)
Fiscal Stabilization	1,128,084	445,376	1,573,460	-	-	-	-	-	-
Title I School Improvement (Stimulus)	-	175,702	190,215	-	(14,513)	48,718	39,822	-	(5,617)
Special Education - Part B (Stimulus)	-	191,307	103,250	-	88,057	23,629	153,406	-	(41,720)
Special Education - Part C (Stimulus)	-	191,306	211,198	-	(19,892)	87,041	67,149	-	-
Food Service Stimulus	-	22,540	22,540	-	-	-	-	-	-
Clearing Account	85,702	3,558,405	3,491,472	-	152,635	3,324,933	3,363,960	-	113,608
Totals	<u>\$ 4,729,656</u>	<u>\$ 30,895,377</u>	<u>\$ 29,648,093</u>	<u>\$ 353,995</u>	<u>\$ 6,330,935</u>	<u>\$ 25,914,456</u>	<u>\$ 27,217,409</u>	<u>\$ 24,394</u>	<u>\$ 5,052,376</u>

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

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometime designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

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

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

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

*F. Other financing sources and uses*

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

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

LAKELAND SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement Bonds Debt Service	Capital Projects	Transportation Operating	School Bus Replacement	Special Education Preschool	Pension Trust Funds	Construction
Cash and investments - beginning	\$ (100,681)	\$ 757,873	\$ (59,755)	\$ 1,664,730	\$ 216,802	\$ 155,779	\$ 1,777	\$ 100,717	\$ 314,096
Receipts:									
Local sources	180,438	2,240,740	182,581	3,627,376	2,257,912	274,608	-	-	-
Intermediate sources	384	-	-	-	-	-	-	-	-
State sources	13,181,832	-	-	-	-	-	27,500	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	39,896	-	912,383	826,542	74,812	-	-	-
Other	69,518	1,362	-	-	6,737	-	-	-	-
Total receipts	<u>13,432,172</u>	<u>2,281,998</u>	<u>182,581</u>	<u>4,539,759</u>	<u>3,091,191</u>	<u>349,420</u>	<u>27,500</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	8,395,614	-	-	-	-	-	23,190	-	-
Support services	3,560,589	-	-	814,006	1,261,443	249,349	-	-	-
Noninstructional services	180	-	-	43,638	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,684,139	-	-	-	-	126,424
Debt services	-	2,180,324	57,816	1,717,864	1,254,321	220,138	-	-	-
Nonprogrammed charges	236,573	-	-	-	-	-	-	-	-
Total disbursements	<u>12,192,956</u>	<u>2,180,324</u>	<u>57,816</u>	<u>4,259,647</u>	<u>2,515,764</u>	<u>469,487</u>	<u>23,190</u>	<u>-</u>	<u>126,424</u>
Excess (deficiency) of receipts over disbursements	<u>1,239,216</u>	<u>101,674</u>	<u>124,765</u>	<u>280,112</u>	<u>575,427</u>	<u>(120,067)</u>	<u>4,310</u>	<u>-</u>	<u>(126,424)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	126,424
Sale of capital assets	-	-	-	-	629	-	-	-	-
Transfers in	6,087	-	-	-	-	-	-	-	-
Transfers out	-	(16,405)	-	-	-	-	(6,087)	-	-
Total other financing sources (uses)	<u>6,087</u>	<u>(16,405)</u>	<u>-</u>	<u>-</u>	<u>629</u>	<u>-</u>	<u>(6,087)</u>	<u>-</u>	<u>126,424</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,245,303</u>	<u>85,269</u>	<u>124,765</u>	<u>280,112</u>	<u>576,056</u>	<u>(120,067)</u>	<u>(1,777)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,144,622</u>	<u>\$ 843,142</u>	<u>\$ 65,010</u>	<u>\$ 1,944,842</u>	<u>\$ 792,858</u>	<u>\$ 35,712</u>	<u>\$ -</u>	<u>\$ 100,717</u>	<u>\$ 314,096</u>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	H.S. New Tech Major Moves	H.S. New Tech Bond Sale	School Food and Nutrition	Textbook Rental	Educational License Plates	Alternative Education	Safe Haven CJI SRO 09-10	Safe Haven CJI Grant 09-10	Early Intervention Grant 09-10
Cash and investments - beginning	\$ -	\$ -	\$ 444,515	\$ (147,183)	\$ 1,842	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	429,878	77,021	-	-	-	-	-
Intermediate sources	135,000	-	-	-	394	-	-	-	-
State sources	-	-	-	99,104	-	11,061	15,000	5,000	15,000
Federal sources	-	-	775,562	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	135,000	-	1,205,440	176,125	394	11,061	15,000	5,000	15,000
Disbursements:									
Current:									
Instruction	-	-	-	-	-	11,061	-	-	12,305
Support services	-	-	-	204,571	-	-	15,000	5,000	-
Noninstructional services	-	-	1,045,615	-	-	-	-	-	-
Facilities acquisition and construction	135,000	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	135,000	-	1,045,615	204,571	-	11,061	15,000	5,000	12,305
Excess (deficiency) of receipts over disbursements	-	-	159,825	(28,446)	394	-	-	-	2,695
Other financing sources (uses):									
Proceeds of long-term debt	-	210,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	16,405	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	210,000	-	16,405	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	210,000	159,825	(12,041)	394	-	-	-	2,695
Cash and investments - ending	\$ -	\$ 210,000	\$ 604,340	\$ (159,224)	\$ 2,236	\$ -	\$ -	\$ -	\$ 2,695

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	<u>Riddick Estate</u>	<u>Local Latch Key Funds</u>	<u>Lilly Foundation New Tech</u>	<u>C.E.L.L. Grant - Leading Edge</u>	<u>All Day Kindergarten</u>	<u>FDK Payments 09-10</u>	<u>Refunds - ISTA Section 125</u>	<u>High Ability 09-10</u>	<u>Non-English Speaking 2007-2009</u>
Cash and investments - beginning	\$ 5,000	\$ 9,029	\$ -	\$ -	\$ 2,326	\$ -	\$ 7,244	\$ -	\$ 5,537
Receipts:									
Local sources	-	-	100,000	125,000	-	20,538	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	34,627	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	100,000	125,000	-	20,538	-	34,627	-
Disbursements:									
Current:									
Instruction	-	-	-	-	2,326	16,605	-	32,136	5,537
Support services	-	-	100,000	705	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	100,000	705	2,326	16,605	-	32,136	5,537
Excess (deficiency) of receipts over disbursements	-	-	-	124,295	(2,326)	3,933	-	2,491	(5,537)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	124,295	(2,326)	3,933	-	2,491	(5,537)
Cash and investments - ending	\$ 5,000	\$ 9,029	\$ -	\$ 124,295	\$ -	\$ 3,933	\$ 7,244	\$ 2,491	\$ -

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Non-English Speaking 2009-2010	Technology Grant	PLTW Grant 09-10	Region 7/8 Tower Rent	Wellness Insurance Consort	Excess PTRC Distributions	Out of School Suspension	Title I 2008-2009	Title I 2009-2010
Cash and investments - beginning	\$ -	\$ (2,353)	\$ -	\$ (3,480)	\$ -	\$ -	\$ (9,405)	\$ 53,102	\$ -
Receipts:									
Local sources	-	-	-	-	-	34,993	-	-	-
Intermediate sources	-	-	-	-	21,999	-	-	-	-
State sources	35,257	2,353	15,000	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	30,001	384,645
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>35,257</u>	<u>2,353</u>	<u>15,000</u>	<u>-</u>	<u>21,999</u>	<u>34,993</u>	<u>-</u>	<u>30,001</u>	<u>384,645</u>
Disbursements:									
Current:									
Instruction	30,473	-	15,000	-	-	-	15,571	78,960	295,890
Support services	-	-	-	-	14,936	-	-	4,143	10,654
Noninstructional services	-	-	-	-	-	-	-	-	690
Facilities acquisition and construction	-	-	-	-	-	-	-	-	21,685
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>30,473</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>14,936</u>	<u>-</u>	<u>15,571</u>	<u>83,103</u>	<u>328,919</u>
Excess (deficiency) of receipts over disbursements	<u>4,784</u>	<u>2,353</u>	<u>-</u>	<u>-</u>	<u>7,063</u>	<u>34,993</u>	<u>(15,571)</u>	<u>(53,102)</u>	<u>55,726</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	16,942	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,942</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,784</u>	<u>2,353</u>	<u>-</u>	<u>-</u>	<u>7,063</u>	<u>34,993</u>	<u>1,371</u>	<u>(53,102)</u>	<u>55,726</u>
Cash and investments - ending	<u>\$ 4,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,480)</u>	<u>\$ 7,063</u>	<u>\$ 34,993</u>	<u>\$ (8,034)</u>	<u>\$ -</u>	<u>\$ 55,726</u>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Title V 2008-2009	Title IV 2008-2009	Title IV 2009-2010	Universal Service Fund	Title II Part A 2007-2008	Title II Part A 2008-2009	Title II Part A 2009-2010	Title III 2007-2009
Cash and investments - beginning	\$ 31,420	\$ 6,788	\$ -	\$ 16,079	\$ 600	\$ 37,823	\$ -	\$ 5,648
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	8,184	4,323	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	8,184	4,323	-	-	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	5,648
Support services	31,420	6,788	8,184	7,886	600	37,823	24,855	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	31,420	6,788	8,184	7,886	600	37,823	24,855	5,648
Excess (deficiency) of receipts over disbursements	(31,420)	(6,788)	-	(3,563)	(600)	(37,823)	(24,855)	(5,648)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,420)	(6,788)	-	(3,563)	(600)	(37,823)	(24,855)	(5,648)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 12,516	\$ -	\$ -	\$ (24,855)	\$ -

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Title III 2009-2010	Fiscal Stabilization	Title I School Improvement (Stimulus)	Special Education - Part B (Stimulus)	Special Education - Part C (Stimulus)	Food Service Stimulus	Clearing Account	Totals
Cash and investments - beginning	\$ -	\$ 1,128,084	\$ -	\$ -	\$ -	\$ -	\$ 85,702	\$ 4,729,656
Receipts:								
Local sources	-	-	-	-	-	-	-	9,551,085
Intermediate sources	-	-	-	-	-	-	-	157,777
State sources	-	-	-	-	-	22,540	-	13,464,274
Federal sources	26,180	445,376	175,702	191,307	191,306	-	-	2,232,586
Temporary loans	-	-	-	-	-	-	-	1,853,633
Other	-	-	-	-	-	-	3,558,405	3,636,022
Total receipts	<u>26,180</u>	<u>445,376</u>	<u>175,702</u>	<u>191,307</u>	<u>191,306</u>	<u>22,540</u>	<u>3,558,405</u>	<u>30,895,377</u>
Disbursements:								
Current:								
Instruction	33,283	1,308,250	89,198	103,250	-	-	-	10,474,297
Support services	-	265,210	101,017	-	-	-	-	6,724,179
Noninstructional services	-	-	-	-	-	22,540	-	1,112,663
Facilities acquisition and construction	-	-	-	-	-	-	-	1,967,248
Debt services	-	-	-	-	-	-	-	5,430,463
Nonprogrammed charges	-	-	-	-	211,198	-	3,491,472	3,939,243
Total disbursements	<u>33,283</u>	<u>1,573,460</u>	<u>190,215</u>	<u>103,250</u>	<u>211,198</u>	<u>22,540</u>	<u>3,491,472</u>	<u>29,648,093</u>
Excess (deficiency) of receipts over disbursements	<u>(7,103)</u>	<u>(1,128,084)</u>	<u>(14,513)</u>	<u>88,057</u>	<u>(19,892)</u>	<u>-</u>	<u>66,933</u>	<u>1,247,284</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	336,424
Sale of capital assets	-	-	-	-	-	-	-	17,571
Transfers in	-	-	-	-	-	-	-	22,492
Transfers out	-	-	-	-	-	-	-	(22,492)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,995</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(7,103)</u>	<u>(1,128,084)</u>	<u>(14,513)</u>	<u>88,057</u>	<u>(19,892)</u>	<u>-</u>	<u>66,933</u>	<u>1,601,279</u>
Cash and investments - ending	<u>\$ (7,103)</u>	<u>\$ -</u>	<u>\$ (14,513)</u>	<u>\$ 88,057</u>	<u>\$ (19,892)</u>	<u>\$ -</u>	<u>\$ 152,635</u>	<u>\$ 6,330,935</u>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement Bonds Debt Service	Capital Projects	Transportation Operating	School Bus Replacement	Rainy Day	Pension Trust Funds	Construction
Cash and investments - beginning	\$ 1,144,622	\$ 843,142	\$ 65,010	\$ 1,944,842	\$ 792,858	\$ 35,712	\$ -	\$ 100,717	\$ 314,096
Receipts:									
Local sources	69,770	1,470,412	112,758	2,258,588	1,496,264	211,878	-	-	-
Intermediate sources	572	-	-	-	-	-	-	-	-
State sources	13,539,107	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	24,658	-	-	-	1,746	-	-	-	-
Total receipts	<u>13,634,107</u>	<u>1,470,412</u>	<u>112,758</u>	<u>2,258,588</u>	<u>1,498,010</u>	<u>211,878</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	8,736,748	-	-	-	-	-	-	-	-
Support services	4,530,373	-	-	530,051	1,354,738	231,461	-	100,717	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,412,836	-	-	-	-	314,096
Debt services	-	1,328,457	112,688	811,213	489,535	37,406	-	-	-
Nonprogrammed charges	214,134	-	-	-	-	-	-	-	-
Total disbursements	<u>13,481,255</u>	<u>1,328,457</u>	<u>112,688</u>	<u>2,754,100</u>	<u>1,844,273</u>	<u>268,867</u>	<u>-</u>	<u>100,717</u>	<u>314,096</u>
Excess (deficiency) of receipts over disbursements	<u>152,852</u>	<u>141,955</u>	<u>70</u>	<u>(495,512)</u>	<u>(346,263)</u>	<u>(56,989)</u>	<u>-</u>	<u>(100,717)</u>	<u>(314,096)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	704	-	-	-	-
Transfers in	-	-	-	-	34,993	-	104,000	-	-
Transfers out	-	(104,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(104,000)</u>	<u>-</u>	<u>-</u>	<u>35,697</u>	<u>-</u>	<u>104,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>152,852</u>	<u>37,955</u>	<u>70</u>	<u>(495,512)</u>	<u>(310,566)</u>	<u>(56,989)</u>	<u>104,000</u>	<u>(100,717)</u>	<u>(314,096)</u>
Cash and investments - ending	<u>\$ 1,297,474</u>	<u>\$ 881,097</u>	<u>\$ 65,080</u>	<u>\$ 1,449,330</u>	<u>\$ 482,292</u>	<u>\$ (21,277)</u>	<u>\$ 104,000</u>	<u>\$ -</u>	<u>\$ -</u>

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	H.S. New Tech Major Moves	H.S. New Tech Bond Sale	School Food and Nutrition	Textbook Rental	Levy Excess	Latch Key Program	Educational License Plates	Alternative Education	Safe Haven CJI SRO 10-11
Cash and investments - beginning	\$ -	\$ 210,000	\$ 604,340	\$ (159,224)	\$ -	\$ -	\$ 2,236	\$ -	\$ -
Receipts:									
Local sources	-	-	421,487	65,176	65,851	6,668	-	-	-
Intermediate sources	863,690	-	-	-	-	-	450	-	-
State sources	-	-	-	99,422	-	-	-	10,336	16,499
Federal sources	-	-	781,981	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	863,690	-	1,203,468	164,598	65,851	6,668	450	10,336	16,499
Disbursements:									
Current:									
Instruction	-	-	-	-	-	9,551	-	10,336	-
Support services	23,056	-	-	165,715	-	-	-	-	16,499
Noninstructional services	-	-	1,021,293	-	-	-	-	-	-
Facilities acquisition and construction	863,690	210,000	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	886,746	210,000	1,021,293	165,715	-	9,551	-	10,336	16,499
Excess (deficiency) of receipts over disbursements	(23,056)	(210,000)	182,175	(1,117)	65,851	(2,883)	450	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	9,029	-	-	-
Transfers out	-	-	-	-	(34,993)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(34,993)	9,029	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,056)	(210,000)	182,175	(1,117)	30,858	6,146	450	-	-
Cash and investments - ending	\$ (23,056)	\$ -	\$ 786,515	\$ (160,341)	\$ 30,858	\$ 6,146	\$ 2,686	\$ -	\$ -

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Early Intervention Grant 09-10	Early Intervention Grant 10-11	Riddick Estate	Local Latch Key Funds	Lilly Foundation New Tech	C.E.L.L. Grant - Leading Edge	FDK Payments 09-10	FDK Payments 10-11	Refunds - ISTA Section 125
Cash and investments - beginning	\$ 2,695	\$ -	\$ 5,000	\$ 9,029	\$ -	\$ 124,295	\$ 3,933	\$ -	\$ 7,244
Receipts:									
Local sources	-	-	-	-	237,107	-	-	6,270	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	15,000	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	1,542
Total receipts	-	15,000	-	-	237,107	-	-	6,270	1,542
Disbursements:									
Current:									
Instruction	2,695	11,323	-	-	-	-	3,933	6,270	-
Support services	-	-	-	-	236,662	79,509	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	2,605	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,695	11,323	-	-	236,662	82,114	3,933	6,270	-
Excess (deficiency) of receipts over disbursements	(2,695)	3,677	-	-	445	(82,114)	(3,933)	-	1,542
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(9,029)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(9,029)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,695)	3,677	-	(9,029)	445	(82,114)	(3,933)	-	1,542
Cash and investments - ending	\$ -	\$ 3,677	\$ 5,000	\$ -	\$ 445	\$ 42,181	\$ -	\$ -	\$ 8,786

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	High Ability 09-10	High Ability 10-11	Talent Initiative Grant	Non-English Speaking 2009-2010	Non-English Speaking 2010-2011	Connectivity Funds	PLTW Grant 10-11	Region 7/8 Tower Rent	Wellness Insurance Consort
Cash and investments - beginning	\$ 2,491	\$ -	\$ -	\$ 4,784	\$ -	\$ -	\$ -	\$ (3,480)	\$ 7,063
Receipts:									
Local sources	-	-	25,000	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	21,999
State sources	-	34,108	-	-	27,756	3,288	12,247	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	34,108	25,000	-	27,756	3,288	12,247	-	21,999
Disbursements:									
Current:									
Instruction	2,491	33,218	-	4,784	27,756	-	12,247	-	-
Support services	-	-	-	-	-	1,220	-	-	13,249
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,491	33,218	-	4,784	27,756	1,220	12,247	-	13,249
Excess (deficiency) of receipts over disbursements	(2,491)	890	25,000	(4,784)	-	2,068	-	-	8,750
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,491)	890	25,000	(4,784)	-	2,068	-	-	8,750
Cash and investments - ending	\$ -	\$ 890	\$ 25,000	\$ -	\$ -	\$ 2,068	\$ -	\$ (3,480)	\$ 15,813

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	ING Grant (W/M)	Excess PTRC Distributions	Dollar General Grant (L/B)	Dollar General Grant (LHS)	Out of School Suspension	Title I 2009-2010	Title I 2010-2011	Title I Migrant, P.L. 100-297	Universal Service Fund
Cash and investments - beginning	\$ -	\$ 34,993	\$ -	\$ -	\$ (8,034)	\$ 55,726	\$ -	\$ -	\$ 12,516
Receipts:									
Local sources	2,001	-	2,317	5,000	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	32,618	317,238	33,500	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	2,001	-	2,317	5,000	-	32,618	317,238	33,500	-
Disbursements:									
Current:									
Instruction	-	-	-	-	15,416	65,522	189,004	19,586	-
Support services	460	-	2,317	5,000	-	17,899	156,395	13,914	9,800
Noninstructional services	1,250	-	-	-	-	4,923	437	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	15,682	-	-	-	-	-	-	-
Total disbursements	1,710	15,682	2,317	5,000	15,416	88,344	345,836	33,500	9,800
Excess (deficiency) of receipts over disbursements	291	(15,682)	-	-	(15,416)	(55,726)	(28,598)	-	(9,800)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	23,690	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	23,690	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	291	(15,682)	-	-	8,274	(55,726)	(28,598)	-	(9,800)
Cash and investments - ending	\$ 291	\$ 19,311	\$ -	\$ -	\$ 240	\$ -	\$ (28,598)	\$ -	\$ 2,716

LAKELAND SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Title II Part A 2009-2010	Title II Part A 2010-2011	Title III 2009-2010	Title III 2010-2011	Title I School Improvement (Stimulus)	Special Education - Part B (Stimulus)	Special Education - Part C (Stimulus)	Clearing Account	Totals
Cash and investments - beginning	\$ (24,855)	\$ -	\$ (7,103)	\$ -	\$ (14,513)	\$ 88,057	\$ (19,892)	\$ 152,635	\$ 6,330,935
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,456,547
Intermediate sources	-	-	-	-	-	-	-	-	886,711
State sources	-	-	-	-	-	-	-	-	13,757,763
Federal sources	72,663	23,827	9,700	29,641	48,718	23,629	87,041	-	1,460,556
Other	-	-	-	-	-	-	-	3,324,933	3,352,879
Total receipts	72,663	23,827	9,700	29,641	48,718	23,629	87,041	3,324,933	25,914,456
Disbursements:									
Current:									
Instruction	-	-	2,597	31,595	37,988	153,406	-	-	9,376,466
Support services	48,543	30,177	-	-	1,834	-	-	-	7,569,589
Noninstructional services	-	-	-	-	-	-	-	-	1,027,903
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,803,227
Debt services	-	-	-	-	-	-	-	-	2,779,299
Nonprogrammed charges	-	-	-	-	-	-	67,149	3,363,960	3,660,925
Total disbursements	48,543	30,177	2,597	31,595	39,822	153,406	67,149	3,363,960	27,217,409
Excess (deficiency) of receipts over disbursements	24,120	(6,350)	7,103	(1,954)	8,896	(129,777)	19,892	(39,027)	(1,302,953)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	24,394
Transfers in	-	-	-	-	-	-	-	-	148,022
Transfers out	-	-	-	-	-	-	-	-	(148,022)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	24,394
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,120	(6,350)	7,103	(1,954)	8,896	(129,777)	19,892	(39,027)	(1,278,559)
Cash and investments - ending	\$ (735)	\$ (6,350)	\$ -	\$ (1,954)	\$ (5,617)	\$ (41,720)	\$ -	\$ 113,608	\$ 5,052,376

LAKELAND SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2011

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	32,688,128
Improvements other than buildings	171,950
Machinery and equipment	<u>8,658,023</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 42,708,651</u>

LAKELAND SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2011

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 Series 2010 Refunding Bonds	\$ 3,240,000	\$ 1,120,000
Bonds payable:		
General obligation bonds:		
2001 Energy savings improvements	255,000	263,600
2004 Severance liability	405,000	113,624
Total governmental activities debt	<u>\$ 3,900,000</u>	<u>\$ 1,497,224</u>

LAKELAND SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**OVERDRAWN FUND BALANCES**

The following funds had overdrawn fund balances at June 30, 2010 and 2011, respectively:

	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Textbook Rental	\$ 159,244	\$ 160,341
Region 7/8 Tower Rent	3,480	3,480
Out of School Suspension	8,034	-
School Bus Replacement	-	21,277

The fund 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



**STATE OF INDIANA**  
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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 the 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, 2010 and 2011. 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, 2010 and 2011.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 19, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

LAKELAND SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 173,834	\$ 184,119
National School Lunch Program	10.555		620,982	623,915
Summer Food Service Program For Children	10.559		<u>25,059</u>	<u>23,452</u>
Total for cluster			<u>819,875</u>	<u>831,486</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579		<u>22,540</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582		<u>13,563</u>	<u>14,759</u>
Total for federal grantor agency			<u>855,978</u>	<u>846,245</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		09-4535	35,825	-
		10-4535	328,916	42,732
		11-4535	<u>-</u>	<u>345,836</u>
Total for program			<u>364,741</u>	<u>388,568</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-0255	<u>190,215</u>	<u>39,822</u>
Total for cluster			<u>554,956</u>	<u>428,390</u>
Special Education Cluster				
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-012-SN01	<u>191,307</u>	<u>23,629</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-012-SN01	<u>191,306</u>	<u>87,041</u>
Total for cluster			<u>382,613</u>	<u>110,670</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
		09-4535	<u>1,573,460</u>	<u>-</u>
Migrant Education - State Grant Program	84.011			
		10-4535	<u>-</u>	<u>33,500</u>

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

LAKELAND SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Fiscal Stabilization Fund Cluster (continued)				
Safe and Drug-Free Schools and Communities - State Grants	84.186	08-4535 09-4535	6,768 8,184	- -
Total for program			<u>14,952</u>	<u>-</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243	09-4535	<u>15,000</u>	<u>-</u>
Pass-Through Garrett-Keyser-Butler Community Schools Tech-Prep Education	84.243	10-4535	<u>-</u>	<u>12,247</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298	08-4535	<u>31,420</u>	<u>-</u>
English Language Acquisition Grants	84.365	FY 08-09 FY 09-10 FY 10-11	5,648 33,283 -	- 2,597 31,595
Total for program			<u>38,931</u>	<u>34,192</u>
Improving Teacher Quality State Grants	84.367	07-4535 08-4535 09-4535 10-4535	600 37,823 24,855 -	- - 48,543 30,177
Total for program			<u>63,278</u>	<u>78,720</u>
Total for federal grantor agency			<u>2,674,610</u>	<u>697,719</u>
Total federal awards expended			<u>\$ 3,530,588</u>	<u>\$ 1,543,964</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

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Lakeland School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
School Breakfast Program	10.553	\$ 14,141	\$ 14,650
National School Lunch Program	10.555	54,539	59,014

LAKELAND SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	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:

Name of Federal Program or Cluster  
Child Nutrition Cluster  
Title I, Part A Cluster  
Special Education Cluster  
State Fiscal Stabilization Fund Cluster

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.

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 19, 2012, with Jennifer J. Landez, Treasurer, and Risa J. Herber, Superintendent of Schools. The officials concurred with our audit finding.