

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LANESVILLE COMMUNITY SCHOOL CORPORATION  
HARRISON COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

03/02/2012



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Penny Schmelz	07-01-09 to 06-30-12
Superintendent of Schools	Samuel J. Gardner Steve Morris	07-01-09 to 06-30-10 07-01-10 to 06-30-12
President of the School Board	Donald Hussung	07-01-09 to 06-30-12



**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 LANESVILLE COMMUNITY  
SCHOOL CORPORATION, HARRISON COUNTY, INDIANA

We have audited the accompanying financial statement of the Lanesville Community 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 opinion.

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 February 8, 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 a required part 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

February 8, 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 LANESVILLE COMMUNITY  
SCHOOL CORPORATION, HARRISON COUNTY, INDIANA

We have audited the financial statement of the Lanesville Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 8, 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 opinion 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

February 8, 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.

LANESVILLE COMMUNITY 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	\$ 243,015	\$ 4,930,508	\$ 4,416,990	\$ 112,339	\$ 868,872	\$ 3,709,657	\$ 3,099,466	\$ -	\$ 1,479,063	
Debt Service	452,384	714,378	589,869	(2,032)	574,861	518,808	580,000	16,008	529,677	
Capital Projects	146,243	868,391	301,104	(252,961)	460,569	504,201	276,320	(310,786)	377,664	
School Transportation	314	375,487	144,965	(23,998)	206,838	246,998	229,460	23,315	247,691	
School Bus Replacement	130,823	149,363	83,221	(128)	196,837	128,795	80,000	12,451	258,083	
Special Education Preschool	78,859	5,499	1,137	(83,221)	-	-	-	-	-	
Rainy Day	-	-	250,001	250,001	-	-	275,964	360,000	84,036	
Post-Retirement/Severance Future Benefits	64,461	-	35,886	-	28,575	-	28,575	-	-	
School Lunch	12,761	339,086	315,551	-	36,296	321,123	337,317	-	20,102	
Textbook Rental	(17,552)	70,469	43,667	-	9,250	72,384	90,096	-	(8,462)	
Levy Excess	-	-	-	-	-	8,502	-	-	8,502	
Educational License Plates	3,806	132	-	-	3,938	37	-	-	3,975	
WHAS Crusade Grants 2007/2008	-	6,000	6,000	-	-	-	-	-	-	
HCCF School Library Endowment	716	3,291	1,710	-	2,297	3,100	2,897	-	2,500	
HCCF Creative Writing	-	371	371	-	-	-	-	-	-	
Youth Philanthropy	1,029	-	1,029	-	-	-	-	-	-	
Renaissance	417	-	417	-	-	500	500	-	-	
HCCF - AAE #2 2008/2009	(594)	2,670	2,076	-	-	-	-	-	-	
HCCF- AAE #3	-	8,042	7,947	-	95	(42)	53	-	-	
HCCF- Academic Team Support 09	-	1,718	1,598	-	120	(120)	-	-	-	
HCCF- Student Success Center 10	-	-	-	-	-	8,640	9,184	-	(544)	
HCCF - Timpani 2010	-	3,390	3,390	-	-	-	-	-	-	
LCSC Athletic Fund	25,000	-	25,000	-	-	-	-	-	-	
Success Center Tutor (PTSO)	-	1,885	1,885	-	-	-	-	-	-	
Success Center Tutor (Duke Energy)	-	1,999	1,775	-	224	-	224	-	-	
HCCF - Petite Fete 2010	-	-	-	-	-	200	200	-	-	
HCCF - INSAI 2010	-	-	2,000	-	(2,000)	2,000	-	-	-	
HCCF - PLC Prof. Develop. Supplies	-	600	-	-	600	-	600	-	-	
HCCF - DI Team 2010	-	5,977	6,232	-	(255)	257	2	-	-	
Property Maint. Fund (Schickel)	-	-	-	-	-	493	917	-	(424)	
HCCF Distance Learning Equip.	-	-	-	-	-	14,059	14,059	-	-	
HHCF Intercession 2010/2011	-	-	-	-	-	17,450	24,946	-	(7,496)	
HCCF Academic Team Support 10	-	-	-	-	-	2,296	2,296	-	-	
Metro United/Boot Camp 2011	-	-	-	-	-	8,001	1,705	-	6,296	

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

LANESVILLE COMMUNITY 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
HCCF DI Team 2011	-	-	-	-	-	5,000	5,000	-	-
HCCF Math Lab 2011	-	-	-	-	-	19,000	13,065	-	5,935
HCCF Curriculum Enhancements	-	-	-	-	-	2,274	2,274	-	-
HCCF K-2 Reading Initiative	-	-	-	-	-	-	24,400	-	(24,400)
HCCF Fitness Center 2011	-	-	-	-	-	28,000	28,000	-	-
HCCF/AAE Grant	113	-	113	-	-	-	-	-	-
Pete & Joan Schickel Fund	5,063	4,000	6,395	-	2,668	4,000	2,546	-	4,122
Lanesville Comm. Endow. 2010	-	-	-	-	-	222,814	154,714	-	68,100
Lanesville Comm. Endow. 2009	155,141	-	51,649	-	103,492	-	78,841	-	24,651
Lanesville Comm. Endow. 2006	4,764	-	4,764	-	-	-	-	-	-
Lanesville Comm. Endow. 2008	47,885	-	26,813	-	21,072	-	21,072	-	-
Lanesville Comm. Endow. 2007	11,989	-	11,488	-	501	-	501	-	-
Gifted/Talented 2009-2010	-	27,896	25,660	-	2,236	-	2,236	-	-
High Ability 2010-2011	-	-	-	-	-	27,477	22,116	-	5,361
High Ability Grant 2008/2009	3,476	-	3,476	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	242	-	-	-	242	-	-	-	242
State Connectivity Grant	-	-	-	-	-	6,600	6,050	-	550
CAGIT Property Tax Replacement	-	44,466	-	-	44,466	73,857	-	(88,933)	29,390
Title I, 2008/2009	1,798	-	-	(1,798)	-	-	-	-	-
Title I, 2009/2010	-	43,837	42,554	1,798	3,081	-	-	(3,081)	-
Title I, 2010-2011	-	-	-	-	-	37,563	40,340	3,081	304
Title V, Part A-Innovative	86	357	443	-	-	-	-	-	-
Drug Free Schools 2009-10	-	-	-	-	-	1,270	1,270	-	-
Drug Free 2007-2008	674	-	674	-	-	-	-	-	-
Drug Free 2008-2009	-	990	195	-	795	-	795	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	4,332	24,983	18,566	-	10,749	7,968	18,717	-	-
Fiscal Stabilization (Stimulus)	306,577	137,484	444,061	-	-	-	-	-	-
Title I - Grants to LEAs (Stimulus)	-	27,090	24,368	-	2,722	662	2,369	-	1,015
Special Education - Part B (Stimulus)	-	12,313	19,794	-	(7,481)	62,800	61,725	-	(6,406)
Special Education - Part B - Preschool (Stimulus)	-	8,627	8,627	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,683,822</b>	<b>\$ 7,821,299</b>	<b>\$ 6,933,461</b>	<b>\$ -</b>	<b>\$ 2,571,660</b>	<b>\$ 6,066,624</b>	<b>\$ 5,540,812</b>	<b>\$ 12,055</b>	<b>\$ 3,109,527</b>

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

LANESVILLE COMMUNITY 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.

LANESVILLE COMMUNITY 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.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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:

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

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.

LANESVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

LANESVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

LANESVILLE COMMUNITY 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.

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

## 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 approved by management of the School Corporation. It is presented as intended by the School Corporation.

LANESVILLE COMMUNITY 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	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 243,015	\$ 452,384	\$ 146,243	\$ 314	\$ 130,823	\$ 78,859	\$ -	\$ 64,461	\$ 12,761	\$ (17,552)
Receipts:										
Local sources	57,078	714,378	867,544	373,498	149,363	-	-	-	264,048	61,917
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	3,547,430	-	-	-	-	5,499	-	-	4,687	8,552
Federal sources	-	-	-	-	-	-	-	-	70,351	-
Other	1,326,000	-	847	1,989	-	-	-	-	-	-
Total receipts	4,930,508	714,378	868,391	375,487	149,363	5,499	-	-	339,086	70,469
Disbursements:										
Current:										
Instruction	1,948,675	-	-	-	-	1,137	168,288	35,886	-	-
Support services	1,016,842	-	271,013	144,965	83,221	-	62,312	-	186	43,667
Noninstructional services	3,548	-	-	-	-	-	19,401	-	314,646	-
Facilities acquisition and construction	-	-	30,091	-	-	-	-	-	719	-
Debt services	1,300,000	589,869	-	-	-	-	-	-	-	-
Nonprogrammed charges	147,925	-	-	-	-	-	-	-	-	-
Total disbursements	4,416,990	589,869	301,104	144,965	83,221	1,137	250,001	35,886	315,551	43,667
Excess (deficiency) of receipts over disbursements	513,518	124,509	567,287	230,522	66,142	4,362	(250,001)	(35,886)	23,535	26,802
Other financing sources (uses):										
Transfers in	117,702	-	-	11,580	-	-	250,001	-	-	-
Transfers out	(5,363)	(2,032)	(252,961)	(35,578)	(128)	(83,221)	-	-	-	-
Total other financing sources (uses)	112,339	(2,032)	(252,961)	(23,998)	(128)	(83,221)	250,001	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	625,857	122,477	314,326	206,524	66,014	(78,859)	-	(35,886)	23,535	26,802
Cash and investments - ending	\$ 868,872	\$ 574,861	\$ 460,569	\$ 206,838	\$ 196,837	\$ -	\$ -	\$ 28,575	\$ 36,296	\$ 9,250

LANESVILLE COMMUNITY 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)

	Levy Excess	Educational License Plates	WHAS Crusade Grants 2007/2008	HCCF School Library Endowment	HCCF Creative Writing	Youth Philanthropy	Renaissance	HCCF AAE #2 2008/2009	HCCF AAE #3	HCCF Academic Team Support 09
Cash and investments - beginning	\$ -	\$ 3,806	\$ -	\$ 716	\$ -	\$ 1,029	\$ 417	\$ (594)	\$ -	\$ -
Receipts:										
Local sources	-	-	6,000	3,291	371	-	-	2,670	8,042	1,718
Intermediate sources	-	132	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	132	6,000	3,291	371	-	-	2,670	8,042	1,718
Disbursements:										
Current:										
Instruction	-	-	-	-	-	1,029	417	1,856	7,947	1,598
Support services	-	-	-	1,710	371	-	-	220	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	6,000	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	6,000	1,710	371	1,029	417	2,076	7,947	1,598
Excess (deficiency) of receipts over disbursements	-	132	-	1,581	-	(1,029)	(417)	594	95	120
Other financing sources (uses):										
Transfers in	11,580	-	-	-	-	-	-	-	-	-
Transfers out	(11,580)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	132	-	1,581	-	(1,029)	(417)	594	95	120
Cash and investments - ending	\$ -	\$ 3,938	\$ -	\$ 2,297	\$ -	\$ -	\$ -	\$ -	\$ 95	\$ 120

LANESVILLE COMMUNITY 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)

	HCCF Timpani 2010	LCSC Athletic Fund	Success Center Tutor (PTSO)	Success Center Tutor (Duke Energy)	HCCF INSAI 2010	HCCF PLC Prof. Develop. Supplies	HCCF DI Team 2010	HCCF AAE Grant	Pete & Joan Schickel Fund	Lanesville Comm. Endow. 2009
Cash and investments - beginning	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113	\$ 5,063	\$ 155,141
Receipts:										
Local sources	3,390	-	1,885	1,999	-	600	5,977	-	4,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,390</u>	<u>-</u>	<u>1,885</u>	<u>1,999</u>	<u>-</u>	<u>600</u>	<u>5,977</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	3,390	-	1,885	1,775	2,000	-	6,232	-	-	12,673
Support services	-	25,000	-	-	-	-	-	113	-	15,427
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	6,395	23,549
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>3,390</u>	<u>25,000</u>	<u>1,885</u>	<u>1,775</u>	<u>2,000</u>	<u>-</u>	<u>6,232</u>	<u>113</u>	<u>6,395</u>	<u>51,649</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>224</u>	<u>(2,000)</u>	<u>600</u>	<u>(255)</u>	<u>(113)</u>	<u>(2,395)</u>	<u>(51,649)</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>224</u>	<u>(2,000)</u>	<u>600</u>	<u>(255)</u>	<u>(113)</u>	<u>(2,395)</u>	<u>(51,649)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ (2,000)</u>	<u>\$ 600</u>	<u>\$ (255)</u>	<u>\$ -</u>	<u>\$ 2,668</u>	<u>\$ 103,492</u>

LANESVILLE COMMUNITY 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)

	Lanesville Comm. Endow. 2006	Lanesville Comm. Endow. 2008	Lanesville Comm. Endow. 2007	Gifted/Talented 2009-2010	High Ability Grant 2008/2009	Non-English Speaking Programs P.L. 273-1999	CAGIT Property Tax Replacement	Title I 2008/2009	Title I 2009/2010
Cash and investments - beginning	\$ 4,764	\$ 47,885	\$ 11,989	\$ -	\$ 3,476	\$ 242	\$ -	\$ 1,798	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	27,896	-	-	44,466	-	-
Federal sources	-	-	-	-	-	-	-	-	43,837
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	27,896	-	-	44,466	-	43,837
Disbursements:									
Current:									
Instruction	4,764	26,117	8,296	25,660	3,476	-	-	-	42,554
Support services	-	696	1,894	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	1,298	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,764	26,813	11,488	25,660	3,476	-	-	-	42,554
Excess (deficiency) of receipts over disbursements	(4,764)	(26,813)	(11,488)	2,236	(3,476)	-	44,466	-	1,283
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	1,798
Transfers out	-	-	-	-	-	-	-	(1,798)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(1,798)	1,798
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,764)	(26,813)	(11,488)	2,236	(3,476)	-	44,466	(1,798)	3,081
Cash and investments - ending	\$ -	\$ 21,072	\$ 501	\$ 2,236	\$ -	\$ 242	\$ 44,466	\$ -	\$ 3,081

LANESVILLE COMMUNITY 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 Part A-Innovative	Drug Free 2007-2008	Drug Free 2008-2009	Improving Teaching Quality No Child Left Title II, Part A	Fiscal Stabilization (Stimulus)	Title I Grants to LEAs (Stimulus)	Special Education Part B (Stimulus)	Special Education Part B Preschool (Stimulus)	Totals
Cash and investments - beginning	\$ 86	\$ 674	\$ -	\$ 4,332	\$ 306,577	\$ -	\$ -	\$ -	\$ 1,683,822
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,527,769
Intermediate sources	-	-	-	-	-	-	-	-	132
State sources	-	-	-	-	-	-	-	-	3,638,530
Federal sources	357	-	990	24,983	137,484	27,090	12,313	8,627	326,032
Other	-	-	-	-	-	-	-	-	1,328,836
Total receipts	357	-	990	24,983	137,484	27,090	12,313	8,627	7,821,299
Disbursements:									
Current:									
Instruction	357	-	-	11,532	383,615	24,368	19,794	8,627	2,753,948
Support services	86	674	195	7,034	60,446	-	-	-	1,736,072
Noninstructional services	-	-	-	-	-	-	-	-	337,595
Facilities acquisition and construction	-	-	-	-	-	-	-	-	68,052
Debt services	-	-	-	-	-	-	-	-	1,889,869
Nonprogrammed charges	-	-	-	-	-	-	-	-	147,925
Total disbursements	443	674	195	18,566	444,061	24,368	19,794	8,627	6,933,461
Excess (deficiency) of receipts over disbursements	(86)	(674)	795	6,417	(306,577)	2,722	(7,481)	-	887,838
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	392,661
Transfers out	-	-	-	-	-	-	-	-	(392,661)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(86)	(674)	795	6,417	(306,577)	2,722	(7,481)	-	887,838
Cash and investments - ending	\$ -	\$ -	\$ 795	\$ 10,749	\$ -	\$ 2,722	\$ (7,481)	\$ -	\$ 2,571,660

LANESVILLE COMMUNITY 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	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 868,872	\$ 574,861	\$ 460,569	\$ 206,838	\$ 196,837	\$ -	\$ 28,575	\$ 36,296
Receipts:								
Local sources	64,700	518,808	503,929	243,656	128,795	-	-	252,416
Intermediate sources	-	-	-	-	-	-	-	-
State sources	3,606,929	-	-	-	-	-	-	5,057
Federal sources	-	-	-	-	-	-	-	63,650
Other	38,028	-	272	3,342	-	-	-	-
Total receipts	<u>3,709,657</u>	<u>518,808</u>	<u>504,201</u>	<u>246,998</u>	<u>128,795</u>	<u>-</u>	<u>-</u>	<u>321,123</u>
Disbursements:								
Current:								
Instruction	2,000,272	-	-	-	-	190,557	28,575	-
Support services	963,694	-	263,330	229,460	80,000	85,407	-	521
Noninstructional services	14	-	-	-	-	-	-	336,796
Facilities acquisition and construction	-	-	12,990	-	-	-	-	-
Debt services	-	580,000	-	-	-	-	-	-
Nonprogrammed charges	135,486	-	-	-	-	-	-	-
Total disbursements	<u>3,099,466</u>	<u>580,000</u>	<u>276,320</u>	<u>229,460</u>	<u>80,000</u>	<u>275,964</u>	<u>28,575</u>	<u>337,317</u>
Excess (deficiency) of receipts over disbursements	<u>610,191</u>	<u>(61,192)</u>	<u>227,881</u>	<u>17,538</u>	<u>48,795</u>	<u>(275,964)</u>	<u>(28,575)</u>	<u>(16,194)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	8,305	3,750	-	-	-	-
Transfers in	-	16,008	40,909	19,565	12,451	360,000	-	-
Transfers out	-	-	(360,000)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>16,008</u>	<u>(310,786)</u>	<u>23,315</u>	<u>12,451</u>	<u>360,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>610,191</u>	<u>(45,184)</u>	<u>(82,905)</u>	<u>40,853</u>	<u>61,246</u>	<u>84,036</u>	<u>(28,575)</u>	<u>(16,194)</u>
Cash and investments - ending	<u>\$ 1,479,063</u>	<u>\$ 529,677</u>	<u>\$ 377,664</u>	<u>\$ 247,691</u>	<u>\$ 258,083</u>	<u>\$ 84,036</u>	<u>\$ -</u>	<u>\$ 20,102</u>

LANESVILLE COMMUNITY 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)

	Textbook Rental	Levy Excess	Educational License Plates	HCCF School Library Endowment	Renaissance	HCCF AAE #3	HCCF Academic Team Support 09	HCCF Student Success Center 10
Cash and investments - beginning	\$ 9,250	\$ -	\$ 3,938	\$ 2,297	\$ -	\$ 95	\$ 120	\$ -
Receipts:								
Local sources	64,354	8,502	-	3,100	500	(42)	(120)	8,640
Intermediate sources	-	-	37	-	-	-	-	-
State sources	8,030	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>72,384</u>	<u>8,502</u>	<u>37</u>	<u>3,100</u>	<u>500</u>	<u>(42)</u>	<u>(120)</u>	<u>8,640</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	500	53	-	9,184
Support services	90,096	-	-	2,897	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>90,096</u>	<u>-</u>	<u>-</u>	<u>2,897</u>	<u>500</u>	<u>53</u>	<u>-</u>	<u>9,184</u>
Excess (deficiency) of receipts over disbursements	<u>(17,712)</u>	<u>8,502</u>	<u>37</u>	<u>203</u>	<u>-</u>	<u>(95)</u>	<u>(120)</u>	<u>(544)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(17,712)</u>	<u>8,502</u>	<u>37</u>	<u>203</u>	<u>-</u>	<u>(95)</u>	<u>(120)</u>	<u>(544)</u>
Cash and investments - ending	<u><u>\$ (8,462)</u></u>	<u><u>\$ 8,502</u></u>	<u><u>\$ 3,975</u></u>	<u><u>\$ 2,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (544)</u></u>

LANESVILLE COMMUNITY 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)

	Success Center Tutor (Duke Energy)	HCCF Petite Fete 2010	HCCF INSAI 2010	HCCF PLC Prof. Develop. Supplies	HCCF DI Team 2010	Property Maint. Fund (Schickel)	HCCF Distance Learning Equip.
Cash and investments - beginning	\$ 224	\$ -	\$ (2,000)	\$ 600	\$ (255)	\$ -	\$ -
Receipts:							
Local sources	-	200	2,000	-	257	493	14,059
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	200	2,000	-	257	493	14,059
Disbursements:							
Current:							
Instruction	224	200	-	-	2	-	-
Support services	-	-	-	600	-	917	14,059
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	224	200	-	600	2	917	14,059
Excess (deficiency) of receipts over disbursements	(224)	-	2,000	(600)	255	(424)	-
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	(224)	-	2,000	(600)	255	(424)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (424)	\$ -

LANESVILLE COMMUNITY 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)

	HCCF Intercession 2010/2011	HCCF Academic Team Support 10	Metro United/Boot Camp 2011	HCCF DI Team 2011	HCCF Math Lab 2011	HCCF Curriculum Enhancements	HCCF K-2 Reading Initiative
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	17,450	2,296	8,001	5,000	19,000	2,274	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>17,450</u>	<u>2,296</u>	<u>8,001</u>	<u>5,000</u>	<u>19,000</u>	<u>2,274</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	23,634	2,296	1,705	5,000	-	-	-
Support services	1,312	-	-	-	2,975	2,274	24,400
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	10,090	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>24,946</u>	<u>2,296</u>	<u>1,705</u>	<u>5,000</u>	<u>13,065</u>	<u>2,274</u>	<u>24,400</u>
Excess (deficiency) of receipts over disbursements	<u>(7,496)</u>	<u>-</u>	<u>6,296</u>	<u>-</u>	<u>5,935</u>	<u>-</u>	<u>(24,400)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(7,496)</u>	<u>-</u>	<u>6,296</u>	<u>-</u>	<u>5,935</u>	<u>-</u>	<u>(24,400)</u>
Cash and investments - ending	<u><u>\$ (7,496)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,296</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,935</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (24,400)</u></u>

LANESVILLE COMMUNITY 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)

	HCCF Fitness Center 2011	Pete & Joan Schickel Fund	Lanesville Comm. Endow. 2010	Lanesville Comm. Endow. 2005	Lanesville Comm. Endow. 2009	Lanesville Comm. Endow. 2008	Lanesville Comm. Endow. 2007
Cash and investments - beginning	\$ -	\$ 2,668	\$ -	\$ -	\$ 103,492	\$ 21,072	\$ 501
Receipts:							
Local sources	28,000	4,000	222,814	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>28,000</u>	<u>4,000</u>	<u>222,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	82,956	-	32,246	21,072	493
Support services	-	-	44,576	-	6,725	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	28,000	2,546	27,182	-	39,870	-	8
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>28,000</u>	<u>2,546</u>	<u>154,714</u>	<u>-</u>	<u>78,841</u>	<u>21,072</u>	<u>501</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>1,454</u>	<u>68,100</u>	<u>-</u>	<u>(78,841)</u>	<u>(21,072)</u>	<u>(501)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>1,454</u>	<u>68,100</u>	<u>-</u>	<u>(78,841)</u>	<u>(21,072)</u>	<u>(501)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,122</u>	<u>\$ 68,100</u>	<u>\$ -</u>	<u>\$ 24,651</u>	<u>\$ -</u>	<u>\$ -</u>

LANESVILLE COMMUNITY 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)

	Gifted/Talented 2009-2010	High Ability 2010-2011	Non-English Speaking Programs P.L. 273-1999	State Connectivity Grant	AAE/Lumina Grant	CAGIT Property Tax Replacement	Title I 2009/2010
Cash and investments - beginning	\$ 2,236	\$ -	\$ 242	\$ -	\$ -	\$ 44,466	\$ 3,081
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	27,477	-	6,600	-	73,857	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	27,477	-	6,600	-	73,857	-
Disbursements:							
Current:							
Instruction	2,236	22,116	-	-	-	-	-
Support services	-	-	-	6,050	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,236	22,116	-	6,050	-	-	-
Excess (deficiency) of receipts over disbursements	(2,236)	5,361	-	550	-	73,857	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(88,933)	(3,081)
Total other financing sources (uses)	-	-	-	-	-	(88,933)	(3,081)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,236)	5,361	-	550	-	(15,076)	(3,081)
Cash and investments - ending	\$ -	\$ 5,361	\$ 242	\$ 550	\$ -	\$ 29,390	\$ -

LANESVILLE COMMUNITY 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 I 2010-2011	Drug Free 2009-10	Drug Free 2008-2009	Improving Teaching Quality No Child Left Title II, Part A	Title I Grants to LEAs (Stimulus)	Special Education Part B (Stimulus)	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 795	\$ 10,749	\$ 2,722	\$ (7,481)	\$ 2,571,660
Receipts:							
Local sources	-	-	-	-	-	-	2,123,082
Intermediate sources	-	-	-	-	-	-	37
State sources	-	-	-	-	-	-	3,727,950
Federal sources	37,563	1,270	-	7,968	662	62,800	173,913
Other	-	-	-	-	-	-	41,642
Total receipts	<u>37,563</u>	<u>1,270</u>	<u>-</u>	<u>7,968</u>	<u>662</u>	<u>62,800</u>	<u>6,066,624</u>
Disbursements:							
Current:							
Instruction	40,340	-	-	10,038	2,369	61,725	2,537,793
Support services	-	1,270	795	8,679	-	-	1,830,037
Noninstructional services	-	-	-	-	-	-	336,810
Facilities acquisition and construction	-	-	-	-	-	-	120,686
Debt services	-	-	-	-	-	-	580,000
Nonprogrammed charges	-	-	-	-	-	-	135,486
Total disbursements	<u>40,340</u>	<u>1,270</u>	<u>795</u>	<u>18,717</u>	<u>2,369</u>	<u>61,725</u>	<u>5,540,812</u>
Excess (deficiency) of receipts over disbursements	<u>(2,777)</u>	<u>-</u>	<u>(795)</u>	<u>(10,749)</u>	<u>(1,707)</u>	<u>1,075</u>	<u>525,812</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	12,055
Transfers in	3,081	-	-	-	-	-	452,014
Transfers out	-	-	-	-	-	-	(452,014)
Total other financing sources (uses)	<u>3,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,055</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>304</u>	<u>-</u>	<u>(795)</u>	<u>(10,749)</u>	<u>(1,707)</u>	<u>1,075</u>	<u>537,867</u>
Cash and investments - ending	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,015</u>	<u>\$ (6,406)</u>	<u>\$ 3,109,527</u>

LANESVILLE COMMUNITY 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>Ending Balance</u>
Other:	
Capital assets, not being depreciated:	
Land	\$ 110,000
Buildings	13,941,343
Machinery and equipment	<u>811,251</u>
 Total capital assets not being depreciated	 <u><u>\$ 14,862,594</u></u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital leases:			
Elementary and Jr/Sr High School Buildings	<u>\$ 4,830,355</u>	<u>\$ 575,233</u>	Debt Service

LANESVILLE COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***CAPITAL ASSET RECORDS***

Information presented for audit did not indicate a complete or current inventory of capital assets using General Form 369. Based on the information provided, some disposals and acquisitions were not posted to the ledger during the audit period.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***OVERDRAWN CASH BALANCE***

The cash balance of the Textbook Rental Fund was overdrawn in the amount of \$8,462 at June 30, 2011.

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

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**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 LANESVILLE COMMUNITY  
SCHOOL CORPORATION, HARRISON COUNTY, INDIANA

Compliance

We have audited the compliance of the Lanesville 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 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

February 8, 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.

LANESVILLE COMMUNITY 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 National School Lunch Program	10.555		\$ 70,351	\$ 63,650
<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			
FY 2009-10		10-3160	44,352	-
FY 2010-11		11-3160	-	43,420
Total for program			44,352	43,420
ARRA - Title I Grants to Local Educational Agencies, Recovery Act FY 2009-10	84.389	10-3160	24,638	-
FY 2010-11		11-3160	-	2,368
Total for program			24,638	2,368
Total for cluster			68,990	45,788
Special Education Cluster ARRA - Special Education - Grants to States, Recovery Act	84.391			
FY 2009-10		10-3160	19,794	-
FY 2010-11		11-3160	-	61,726
Total for program			19,794	61,726
ARRA - Special Education - Preschool Grants, Recovery Act FY 2009-10	84.392	10-3160	8,627	-
Total for cluster			28,421	61,726
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		444,060	-
Safe and Drug-Free Schools and Communities - State Grants FY 2007-08	84.186	08-3160	674	-
FY 2008-09		09-3160	195	795
FY 2009-10		10-3160	-	1,270
Total for program			869	2,065
State Grants for Innovative Programs FY 2009-10	84.298	10-3160	443	-
Improving Teacher Quality State Grants FY 2009-10	84.367	10-3160	18,565	18,717
Total for federal grantor agency			561,348	128,296
Total federal awards expended			\$ 631,699	\$ 191,946

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

LANESVILLE COMMUNITY 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 Lanesville Community 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
Child Nutrition Cluster			
Food Commodities:			
National School Lunch Program	10.555	\$ 12,843	\$ 17,141



LANESVILLE COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LANESVILLE COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2012, with Donald Hussung, President of the School Board; Steve Morris, Superintendent of Schools; and Penny Schmelz, Treasurer. The officials concurred with our audit findings.