

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

LAKE CENTRAL SCHOOL CORPORATION
LAKE COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
11/16/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lorri Miskus	07-01-10 to 06-30-13
Director of Business Services	Robert James	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Lawrence Veracco	07-01-10 to 06-30-13
President of the School Board	George Baranowski Howard Marshall, Jr.	01-01-10 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE LAKE CENTRAL SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the accompanying financial statement of the Lake Central School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. 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 statements 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the School Corporation for the period of July 1, 2010 to June 30, 2012, or changes in its financial position for the period.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated October 30, 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
(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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 30, 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 LAKE CENTRAL SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the financial statement of the Lake Central School Corporation (School Corporation), for the for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated October 30, 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

Management of the School Corporation is responsible for establishing and maintaining effective 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

October 30, 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.

LAKE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 4,767,109	\$ 54,359,339	\$ 57,994,409	\$ (864,279)	\$ 267,760	\$ 53,633,790	\$ 55,319,402	\$ 441,631	\$ (976,221)
Debt Service	(8,087,464)	727,725	3,028,640	11,295,101	906,722	2,266,604	1,338,558	-	1,834,768
Retirement/Severance Bond Debt Service	(2,064,957)	-	1,453,850	3,518,807	-	-	-	-	-
Exempt Debt	10,755,175	14,290,668	7,673,797	(11,280,093)	6,091,953	12,798,893	12,607,491	-	6,283,355
Exempt Retirement/Severance Bond Debt Service	2,746,002	2,687,994	500,000	(3,518,807)	1,415,189	1,882,033	1,947,535	-	1,349,687
Referendum Debt Exempt Capital	-	-	-	-	-	2,117,827	18,333	-	2,099,494
Capital Projects	(3,508,376)	19,636,959	11,778,001	-	4,350,582	12,241,988	11,937,330	61,122	4,716,362
School Transportation	365,294	6,554,027	7,261,120	149,401	(192,398)	8,963,940	6,499,123	(14,264)	2,258,155
School Bus Replacement	249,037	518,766	-	-	767,803	1,262,407	90,168	-	1,940,042
Rainy Day	1,650,000	-	-	-	1,650,000	-	1,650,000	-	-
Retirement/Severance Bond	1,859,285	-	-	-	1,859,285	-	-	-	1,859,285
Post-Retirement/Severance Future Benefits	3,926,311	-	887,471	-	3,038,840	101	1,451,579	-	1,587,362
Construction	760,209	-	2,125,971	1,545,388	179,626	775,716	1,531,796	(62,066)	(638,520)
2012 BAN	-	-	-	-	-	4,000,000	7,429,481	4,525,000	1,095,519
School Lunch	800,607	3,403,062	3,268,336	773	936,106	3,111,313	3,212,251	(51,615)	783,553
Textbook Rental	1,599,837	1,740,947	1,487,361	(794,662)	1,058,761	1,850,849	2,093,003	(642,560)	174,047
Self-Insurance	3,414,008	9,279,943	9,463,349	217,949	3,448,551	9,954,278	9,654,082	271,252	4,019,999
Levy Excess	-	149,401	-	(149,401)	-	-	-	-	-
West Lake Special Education Cooperative	(723,288)	10,467,270	10,544,619	12,692	(787,945)	11,321,719	11,289,770	-	(755,996)
Safe Schools Commission	-	-	-	-	-	3,585	-	-	3,585
School Library Grant	22,117	-	-	-	22,117	-	9,310	-	12,807
Safe Haven 04-05	(531)	-	-	531	-	-	-	-	-
MAAP Service West Lake	906	-	-	(906)	-	-	-	-	-
Knights of Columbus West Lake	147	-	147	-	-	-	-	-	-
West Lake Jumpstart	1,180	-	-	(1,180)	-	-	-	-	-
Safe Haven 06-07	23,152	-	1,995	(21,157)	-	-	-	-	-
Kolling National Trail	1,000	-	-	-	1,000	-	-	-	1,000
United Way	-	9,865	9,865	-	-	10,463	10,463	-	-
Wellness Grant	-	-	-	-	-	1,000	-	-	1,000
Kids on the Block	13,582	786	-	(13,582)	786	-	-	-	786
Recycling Tire Grant	62,875	-	62,875	-	-	-	-	-	-
932,400 CSF 5/11	(134,674)	213,671	67,132	-	11,865	-	337,067	-	(325,202)
200,840 STAA 1/11	-	200,840	200,840	-	-	-	-	-	-
949,400 CSF 1/11	-	-	187,868	-	(187,868)	951,079	763,211	-	-
949,400 CSF 4/11	-	-	337,428	-	(337,428)	949,400	611,972	-	-
Medicaid Reimbursement	-	-	-	-	-	6,264	-	-	6,264
Science Fair 2008	446	-	504	(307)	(365)	1,813	1,448	-	-
Science Fair 2009	(446)	-	945	1,230	(161)	161	-	-	-
NESP 2011/2012	-	-	-	-	-	21,798	21,479	-	319
NESP 2010/2011	-	29,028	22,366	-	6,662	-	6,662	-	-
Non-English Speaking 2008	44,075	-	-	(44,075)	-	-	-	-	-
Non-English Speaking 2009	(4,657)	-	4,938	9,595	-	-	-	-	-
USF Tech Refund	(92,313)	166,985	233,534	-	(158,862)	233,946	271,519	-	(196,435)
ISAIP Professional Development	402	-	260	(142)	-	-	-	-	-
Insurance/Other Adjustment	(108,399)	13,794	250,864	345,469	-	-	-	-	-
IDEM Grants	9,984	-	-	(9,984)	-	-	-	-	-
IDEM Grant	9,812	-	-	(9,812)	-	-	-	-	-
IDEM Bibich Trail Waste Tire Grant	(3,990)	-	-	3,990	-	-	-	-	-
Central V State IN	2,996	-	-	(2,996)	-	-	-	-	-
Title I 2010-11	-	-	484,992	-	(484,992)	689,306	166,051	(38,263)	-
Title I	-	-	149	149	-	-	-	-	-

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

LAKE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10		Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11		Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
	Receipts				Receipts				
Title I 2011-12	-	-	-	-	-	310,473	570,956	174,186	(86,297)
Title I 2009-10	299,907	-	163,835	(149)	135,923	-	-	(135,923)	-
Title II	4,250	-	-	(4,250)	-	-	-	-	-
Innovative Education Program Strategies Title V (Part A)	(2,474)	-	-	2,474	-	-	-	-	-
Title V-A 2006-07	(37,549)	-	127	37,676	-	-	-	-	-
Title V (Part A) 2008-09	7,451	-	-	(7,451)	-	-	-	-	-
IDEA Part B 2010-11	-	2,000,817	2,113,229	-	(112,412)	907,176	794,764	-	-
IDEA Part B 2011-12	-	-	-	-	-	1,955,663	2,133,793	-	(178,130)
IDEA Part B	(2,839)	-	-	2,839	-	-	-	-	-
IDEA Part B 2009-10	(101,880)	652,822	550,942	-	-	-	-	-	-
Federal Preschool 2010-11	-	97,682	97,251	-	431	12,777	13,208	-	-
Federal Preschool 2011-12	-	-	-	-	-	93,169	100,114	-	(6,945)
Federal Preschool 2009-10	(7,169)	24,007	16,838	-	-	-	-	-	-
Part B New	(137)	-	-	137	-	-	-	-	-
Drug Free Schools	(917)	-	23,593	8,511	(15,999)	15,999	-	-	-
Drug Free Schools 2008	(404)	-	33	437	-	-	-	-	-
Drug Free Schools 2007-08	(61)	-	34	95	-	-	-	-	-
Drug Free Schools 2009	(581)	-	124	705	-	-	-	-	-
Team Nutrition Training Grants	-	6,075	4,271	-	1,804	-	1,804	-	-
Education for Economic Security	791	-	-	(791)	-	-	-	-	-
Medicaid Reimbursement - Federal	-	-	-	-	-	12,696	-	-	12,696
Safe Routes	(1,728)	-	30,831	4,690	(27,869)	32,031	6,458	-	(2,296)
Title II, Part A 2007	23,008	-	122	(22,886)	-	-	-	-	-
Improving Teaching Quality, Title II, Part A	(394,201)	7,665	154,548	543,204	2,120	-	2,120	-	-
Title II, Part A 2010-11	-	-	213,437	-	(213,437)	246,264	32,827	-	-
Title II, Part A 2010-12	-	-	-	-	-	15,157	39,160	-	(24,003)
Title II, Part A 2007-08	6,253	-	-	(6,253)	-	-	-	-	-
Enhanced Education Through Technology, Title II, Part D	39,394	188,789	189,111	-	39,072	39,193	78,265	-	-
Title II, Part A 2009-10	(557,495)	-	1,582	559,077	-	-	-	-	-
Title II, Part D	(145)	-	-	145	-	-	-	-	-
Title III, Language Instruction	(36,807)	-	1,423	38,230	-	-	-	-	-
Title III 2010-11	-	-	7,041	-	(7,041)	32,900	25,859	-	-
Title III 2011-12	-	-	-	-	-	15,881	17,021	-	(1,140)
Title II, Part D	744	-	-	(744)	-	-	-	-	-
Fiscal Stabilization - Education	-	-	-	-	-	-	-	-	-
Title I - Grants to LEAs (Stimulus)	48,708	-	71,878	(309)	(23,479)	103,246	80,771	-	(1,004)
Title I - School Improvement	-	-	309	309	-	-	-	-	-
Special Education - Part B (Stimulus)	21,532	1,252,880	1,335,171	-	(60,759)	307,087	246,328	-	-
Special Education - Part B - Preschool (Stimulus)	20,778	30,886	73,920	-	(22,256)	44,055	21,799	-	-
Education Technology (Stimulus)	(64,784)	73,880	13,207	4,111	-	-	-	-	-
Education Jobs	-	-	-	-	-	1,728,298	1,725,588	-	2,710
Clearing Fund	51,069	14,197,243	14,205,766	-	42,546	13,975,574	13,962,595	-	55,525
Totals	\$ 17,671,167	\$ 142,983,816	\$ 138,602,249	\$ 1,549,499	\$ 23,602,233	\$ 148,897,912	\$ 150,122,514	\$ 4,528,500	\$ 26,906,131

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

LAKE CENTRAL 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.

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. Receipts are recorded when received and disbursements are recorded when paid.

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 include distributions from the State of Indiana and are 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.

LAKE CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are 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, sometimes 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, funds held temporarily for an authorized recipient, 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.

LAKE CENTRAL 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 or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

LAKE CENTRAL 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.

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.

LAKE CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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.

Note 7. Cash Balance Deficits

The financial statement contains funds with deficits in cash. This is a result of various funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2012.

The School Corporation also had three payrolls in the month of June 2012, instead of the normal two, which caused the General fund to have a cash deficit at June 30, 2012.

Note 8. Restatements

For the year ended June 30, 2010, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

LAKE CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

<u>Fund Name</u>	<u>Balance as of June 30, 2010</u>	<u>Prior Period Adjustment</u>	<u>Balance as of July 1, 2010</u>
Self-Insurance	<u>\$ 3,135,294</u>	<u>\$ 278,714</u>	<u>\$ 3,414,008</u>

Note 9. Holding Corporation

The School Corporation has entered into capital leases with Lake Central Multi-District School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2011 and 2012, totaled \$7,405,000 and \$7,203,489, respectively.

Note 10. Subsequent Events

On October 16, 2012, the School Corporation sold General Obligation Bonds in the amount of \$1,880,000 for various building infrastructure upgrades. The bonds will be repaid over five years at an interest rate of 1.2 percent.

In November 2011, the taxpayers of the Lake Central School Corporation approved a \$160 million capital referendum to replace the majority of Lake Central High School and construct a new Protsman Elementary School. The Lake Central Multi-District School Building Corporation intends to sell \$160 million of bonds in December 2012 to finance these projects. The School Corporation, in turn, will enter into a lease rental agreement with the Building Corporation. The lease will be for a maximum term of 24 years with a maximum annual lease rental of \$18,200,000.

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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.

LAKE CENTRAL 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/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation
Cash and investments - beginning	\$ 4,767,109	\$ (8,087,464)	\$ (2,064,957)	\$ 10,755,175	\$ 2,746,002	\$ -	\$ (3,508,376)	\$ 365,294
Receipts:								
Local sources	1,031,497	527,725	-	6,690,668	1,687,994	-	15,436,959	4,152,752
Intermediate sources	155,881	-	-	-	-	-	-	-
State sources	53,171,961	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	200,000	-	7,600,000	1,000,000	-	4,200,000	2,400,000
Other	-	-	-	-	-	-	-	1,275
Total receipts	<u>54,359,339</u>	<u>727,725</u>	<u>-</u>	<u>14,290,668</u>	<u>2,687,994</u>	<u>-</u>	<u>19,636,959</u>	<u>6,554,027</u>
Disbursements:								
Current:								
Instruction	44,456,095	-	-	-	-	-	12,750	-
Support services	12,372,720	-	-	-	-	-	2,950,516	5,390,705
Noninstructional services	962,608	-	-	-	-	-	-	-
Facilities acquisition and construction	202,986	-	-	-	-	-	3,661,679	-
Debt services	-	3,028,640	1,453,850	7,673,797	500,000	-	5,153,056	1,870,415
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>57,994,409</u>	<u>3,028,640</u>	<u>1,453,850</u>	<u>7,673,797</u>	<u>500,000</u>	<u>-</u>	<u>11,778,001</u>	<u>7,261,120</u>
Excess (deficiency) of receipts over disbursements	<u>(3,635,070)</u>	<u>(2,300,915)</u>	<u>(1,453,850)</u>	<u>6,616,871</u>	<u>2,187,994</u>	<u>-</u>	<u>7,858,958</u>	<u>(707,093)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	16,967,102	11,295,101	3,518,807	-	-	-	4,232,737	149,401
Transfers out	<u>(17,831,381)</u>	<u>-</u>	<u>-</u>	<u>(11,280,093)</u>	<u>(3,518,807)</u>	<u>-</u>	<u>(4,232,737)</u>	<u>-</u>
Total other financing sources (uses)	<u>(864,279)</u>	<u>11,295,101</u>	<u>3,518,807</u>	<u>(11,280,093)</u>	<u>(3,518,807)</u>	<u>-</u>	<u>-</u>	<u>149,401</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,499,349)</u>	<u>8,994,186</u>	<u>2,064,957</u>	<u>(4,663,222)</u>	<u>(1,330,813)</u>	<u>-</u>	<u>7,858,958</u>	<u>(557,692)</u>
Cash and investments - ending	<u>\$ 267,760</u>	<u>\$ 906,722</u>	<u>\$ -</u>	<u>\$ 6,091,953</u>	<u>\$ 1,415,189</u>	<u>\$ -</u>	<u>\$ 4,350,582</u>	<u>\$ (192,398)</u>

LAKE CENTRAL 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)

	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction	2012 BAN	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 249,037	\$ 1,650,000	\$ 1,859,285	\$ 3,926,311	\$ 760,209	\$ -	\$ 800,607	\$ 1,599,837
Receipts:								
Local sources	518,766	-	-	-	-	-	2,425,935	1,528,984
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	64,104	211,963
Federal sources	-	-	-	-	-	-	913,023	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>518,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,403,062</u>	<u>1,740,947</u>
Disbursements:								
Current:								
Instruction	-	-	-	887,471	1,485,918	-	14,704	42,649
Support services	-	-	-	-	-	-	24,071	1,444,712
Noninstructional services	-	-	-	-	-	-	3,229,561	-
Facilities acquisition and construction	-	-	-	-	640,053	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>887,471</u>	<u>2,125,971</u>	<u>-</u>	<u>3,268,336</u>	<u>1,487,361</u>
Excess (deficiency) of receipts over disbursements	<u>518,766</u>	<u>-</u>	<u>-</u>	<u>(887,471)</u>	<u>(2,125,971)</u>	<u>-</u>	<u>134,726</u>	<u>253,586</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	1,549,499	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	78,316	-	773	-
Transfers out	-	-	-	-	(82,427)	-	-	(794,662)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,545,388</u>	<u>-</u>	<u>773</u>	<u>(794,662)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>518,766</u>	<u>-</u>	<u>-</u>	<u>(887,471)</u>	<u>(580,583)</u>	<u>-</u>	<u>135,499</u>	<u>(541,076)</u>
Cash and investments - ending	<u>\$ 767,803</u>	<u>\$ 1,650,000</u>	<u>\$ 1,859,285</u>	<u>\$ 3,038,840</u>	<u>\$ 179,626</u>	<u>\$ -</u>	<u>\$ 936,106</u>	<u>\$ 1,058,761</u>

LAKE CENTRAL 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)

	Self- Insurance	Levy Excess	West Lake Special Education Cooperative	Safe Schools Commission	School Library Grant	Safe Haven 04-05	MAAP Service West Lake	Knights of Columbus West Lake
Cash and investments - beginning	\$ 3,414,008	\$ -	\$ (723,288)	\$ -	\$ 22,117	\$ (531)	\$ 906	\$ 147
Receipts:								
Local sources	9,279,943	149,401	10,467,270	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>9,279,943</u>	<u>149,401</u>	<u>10,467,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	7,484,109	-	-	-	-	147
Support services	9,150,349	-	3,060,510	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	313,000	-	-	-	-	-	-	-
Total disbursements	<u>9,463,349</u>	<u>-</u>	<u>10,544,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147</u>
Excess (deficiency) of receipts over disbursements	<u>(183,406)</u>	<u>149,401</u>	<u>(77,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	217,949	-	15,668	-	-	531	-	-
Transfers out	-	(149,401)	(2,976)	-	-	-	(906)	-
Total other financing sources (uses)	<u>217,949</u>	<u>(149,401)</u>	<u>12,692</u>	<u>-</u>	<u>-</u>	<u>531</u>	<u>(906)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>34,543</u>	<u>-</u>	<u>(64,657)</u>	<u>-</u>	<u>-</u>	<u>531</u>	<u>(906)</u>	<u>(147)</u>
Cash and investments - ending	<u>\$ 3,448,551</u>	<u>\$ -</u>	<u>\$ (787,945)</u>	<u>\$ -</u>	<u>\$ 22,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE CENTRAL 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)

	West Lake Jumpstart	Safe Haven 06-07	Kolling National Trail	United Way	Wellness Grant	Kids on the Block	Recycling Tire Grant	932,400 CSF 5/11
Cash and investments - beginning	\$ 1,180	\$ 23,152	\$ 1,000	\$ -	\$ -	\$ 13,582	\$ 62,875	\$ (134,674)
Receipts:								
Local sources	-	-	-	9,865	-	786	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	213,671
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	9,865	-	786	-	213,671
Disbursements:								
Current:								
Instruction	-	1,995	-	9,865	-	-	62,875	49,775
Support services	-	-	-	-	-	-	-	17,357
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	1,995	-	9,865	-	-	62,875	67,132
Excess (deficiency) of receipts over disbursements	-	(1,995)	-	-	-	786	(62,875)	146,539
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,180)	(21,157)	-	-	-	(13,582)	-	-
Total other financing sources (uses)	(1,180)	(21,157)	-	-	-	(13,582)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,180)	(23,152)	-	-	-	(12,796)	(62,875)	146,539
Cash and investments - ending	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 786	\$ -	\$ 11,865

LAKE CENTRAL 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)

	200,840 STAA 1/11	949,400 CSF 1/11	949,400 CSF 4/11	Medicaid Reimbursement	Science Fair 2008	Science Fair 2009	NESP 2011/2012	NESP 2010/2011
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 446	\$ (446)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	200,840	-	-	-	-	-	-	29,028
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>200,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,028</u>
Disbursements:								
Current:								
Instruction	200,840	174,119	331,428	-	504	945	-	22,366
Support services	-	13,749	6,000	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>200,840</u>	<u>187,868</u>	<u>337,428</u>	<u>-</u>	<u>504</u>	<u>945</u>	<u>-</u>	<u>22,366</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(187,868)</u>	<u>(337,428)</u>	<u>-</u>	<u>(504)</u>	<u>(945)</u>	<u>-</u>	<u>6,662</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,230	-	-
Transfers out	-	-	-	-	(307)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(307)</u>	<u>1,230</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(187,868)</u>	<u>(337,428)</u>	<u>-</u>	<u>(811)</u>	<u>285</u>	<u>-</u>	<u>6,662</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (187,868)</u>	<u>\$ (337,428)</u>	<u>\$ -</u>	<u>\$ (365)</u>	<u>\$ (161)</u>	<u>\$ -</u>	<u>\$ 6,662</u>

LAKE CENTRAL 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)

	Non-English Speaking 2008	Non-English Speaking 2009	USF Tech Refund	ISAIP Professional Development	Insurance/ Other Adjustment	IDEM Grants	IDEM Grant	IDEM Bibich Trail Waste Tire Grant
Cash and investments - beginning	\$ 44,075	\$ (4,657)	\$ (92,313)	\$ 402	\$ (108,399)	\$ 9,984	\$ 9,812	\$ (3,990)
Receipts:								
Local sources	-	-	14,136	-	13,794	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	152,849	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	166,985	-	13,794	-	-	-
Disbursements:								
Current:								
Instruction	-	4,938	-	260	223,173	-	-	-
Support services	-	-	233,534	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	27,691	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	4,938	233,534	260	250,864	-	-	-
Excess (deficiency) of receipts over disbursements	-	(4,938)	(66,549)	(260)	(237,070)	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	9,595	-	-	345,469	-	-	3,990
Transfers out	(44,075)	-	-	(142)	-	(9,984)	(9,812)	-
Total other financing sources (uses)	(44,075)	9,595	-	(142)	345,469	(9,984)	(9,812)	3,990
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(44,075)	4,657	(66,549)	(402)	108,399	(9,984)	(9,812)	3,990
Cash and investments - ending	\$ -	\$ -	\$ (158,862)	\$ -	\$ -	\$ -	\$ -	\$ -

LAKE CENTRAL 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)

	Central V State IN	Title I 2010-11	Title I	Title I 2011-12	Title I 2009-10	Title II	Innovative Education Program Strategies Title V (Part A)	Title V-A 2006-07
Cash and investments - beginning	\$ 2,996	\$ -	\$ -	\$ -	\$ 299,907	\$ 4,250	\$ (2,474)	\$ (37,549)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	475,406	149	-	159,641	-	-	127
Support services	-	9,586	-	-	4,194	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	484,992	149	-	163,835	-	-	127
Excess (deficiency) of receipts over disbursements	-	(484,992)	(149)	-	(163,835)	-	-	(127)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	149	-	-	-	2,474	37,676
Transfers out	(2,996)	-	-	-	(149)	(4,250)	-	-
Total other financing sources (uses)	(2,996)	-	149	-	(149)	(4,250)	2,474	37,676
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,996)	(484,992)	-	-	(163,984)	(4,250)	2,474	37,549
Cash and investments - ending	\$ -	\$ (484,992)	\$ -	\$ -	\$ 135,923	\$ -	\$ -	\$ -

LAKE CENTRAL 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 V (Part A) 2008-09	IDEA Part B 2010-11	IDEA Part B 2011-12	IDEA Part B	IDEA Part B 2009-10	Federal Preschool 2010-11	Federal Preschool 2011-12	Federal Preschool 2009-10
Cash and investments - beginning	\$ 7,451	\$ -	\$ -	\$ (2,839)	\$ (101,880)	\$ -	\$ -	\$ (7,169)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	2,000,817	-	-	652,822	97,682	-	24,007
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>2,000,817</u>	<u>-</u>	<u>-</u>	<u>652,822</u>	<u>97,682</u>	<u>-</u>	<u>24,007</u>
Disbursements:								
Current:								
Instruction	-	1,468,774	-	-	375,285	60,517	-	7,826
Support services	-	644,455	-	-	175,657	36,734	-	9,012
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>2,113,229</u>	<u>-</u>	<u>-</u>	<u>550,942</u>	<u>97,251</u>	<u>-</u>	<u>16,838</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(112,412)</u>	<u>-</u>	<u>-</u>	<u>101,880</u>	<u>431</u>	<u>-</u>	<u>7,169</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	2,839	-	-	-	-
Transfers out	<u>(7,451)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,451)</u>	<u>-</u>	<u>-</u>	<u>2,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(7,451)</u>	<u>(112,412)</u>	<u>-</u>	<u>2,839</u>	<u>101,880</u>	<u>431</u>	<u>-</u>	<u>7,169</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (112,412)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE CENTRAL 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)

	Part B New	Drug Free Schools	Drug Free Schools 2008	Drug Free Schools 2007-08	Drug Free Schools 2009	Team Nutrition Training Grants	Education for Economic Security	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ (137)	\$ (917)	\$ (404)	\$ (61)	\$ (581)	\$ -	\$ 791	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	6,075	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	6,075	-	-
Disbursements:								
Current:								
Instruction	-	23,593	33	34	124	4,271	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	23,593	33	34	124	4,271	-	-
Excess (deficiency) of receipts over disbursements	-	(23,593)	(33)	(34)	(124)	1,804	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	137	8,511	437	95	705	-	-	-
Transfers out	-	-	-	-	-	-	(791)	-
Total other financing sources (uses)	137	8,511	437	95	705	-	(791)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	137	(15,082)	404	61	581	1,804	(791)	-
Cash and investments - ending	\$ -	\$ (15,999)	\$ -	\$ -	\$ -	\$ 1,804	\$ -	\$ -

LAKE CENTRAL 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)

	Safe Routes	Title II, Part A 2007	Improving Teaching Quality Title II, Part A	Title II, Part A 2010-11	Title II, Part A 2010-12	Title II, Part A 2007-08	Enhanced Education Through Technology Title II, Part D	Title II, Part A 2009-10
Cash and investments - beginning	\$ (1,728)	\$ 23,008	\$ (394,201)	\$ -	\$ -	\$ 6,253	\$ 39,394	\$ (557,495)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	7,665	-	-	-	188,789	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	7,665	-	-	-	188,789	-
Disbursements:								
Current:								
Instruction	30,831	122	154,548	211,119	-	-	182,701	1,582
Support services	-	-	-	2,318	-	-	6,410	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	30,831	122	154,548	213,437	-	-	189,111	1,582
Excess (deficiency) of receipts over disbursements	(30,831)	(122)	(146,883)	(213,437)	-	-	(322)	(1,582)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	5,463	-	543,204	-	-	-	-	559,077
Transfers out	(773)	(22,886)	-	-	-	(6,253)	-	-
Total other financing sources (uses)	4,690	(22,886)	543,204	-	-	(6,253)	-	559,077
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,141)	(23,008)	396,321	(213,437)	-	(6,253)	(322)	557,495
Cash and investments - ending	\$ (27,869)	\$ -	\$ 2,120	\$ (213,437)	\$ -	\$ -	\$ 39,072	\$ -

LAKE CENTRAL 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 D	Title III, Language Instruction	Title III 2010-11	Title III 2011-12	Title II, Part D	Fiscal Stabilization - Education	Title I - Grants to LEAs (Stimulus)
Cash and investments - beginning	\$ (145)	\$ (36,807)	\$ -	\$ -	\$ 744	\$ -	\$ 48,708
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Current:							
Instruction	-	1,118	5,167	-	-	(9,464)	71,878
Support services	-	305	1,874	-	-	2,565	-
Noninstructional services	-	-	-	-	-	6,899	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	1,423	7,041	-	-	-	71,878
Excess (deficiency) of receipts over disbursements	-	(1,423)	(7,041)	-	-	-	(71,878)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	145	38,230	-	-	-	-	-
Transfers out	-	-	-	-	(744)	-	(309)
Total other financing sources (uses)	145	38,230	-	-	(744)	-	(309)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	145	36,807	(7,041)	-	(744)	-	(72,187)
Cash and investments - ending	\$ -	\$ -	\$ (7,041)	\$ -	\$ -	\$ -	\$ (23,479)

LAKE CENTRAL 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 - School Improvement	Special Education - Part B (Stimulus)	Special Education - Part B - Preschool (Stimulus)	Education Technology (Stimulus)	Education Jobs	Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ 21,532	\$ 20,778	\$ (64,784)	\$ -	\$ 51,069	\$ 17,671,167
Receipts:							
Local sources	-	-	-	-	-	-	53,936,475
Intermediate sources	-	-	-	-	-	-	155,881
State sources	-	-	-	-	-	-	54,044,416
Federal sources	-	1,252,880	30,886	73,880	-	-	5,248,526
Temporary loans	-	-	-	-	-	-	15,400,000
Other	-	-	-	-	-	14,197,243	14,198,518
Total receipts	-	1,252,880	30,886	73,880	-	14,197,243	142,983,816
Disbursements:							
Current:							
Instruction	24	1,041,407	68,189	13,170	-	-	59,815,098
Support services	285	293,764	5,731	37	-	-	35,857,150
Noninstructional services	-	-	-	-	-	-	4,199,068
Facilities acquisition and construction	-	-	-	-	-	-	4,532,409
Debt services	-	-	-	-	-	-	19,679,758
Nonprogrammed charges	-	-	-	-	-	14,205,766	14,518,766
Total disbursements	309	1,335,171	73,920	13,207	-	14,205,766	138,602,249
Excess (deficiency) of receipts over disbursements	(309)	(82,291)	(43,034)	60,673	-	(8,523)	4,381,567
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	1,549,499
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	309	-	-	4,111	-	-	38,040,231
Transfers out	-	-	-	-	-	-	(38,040,231)
Total other financing sources (uses)	309	-	-	4,111	-	-	1,549,499
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(82,291)	(43,034)	64,784	-	(8,523)	5,931,066
Cash and investments - ending	\$ -	\$ (60,759)	\$ (22,256)	\$ -	\$ -	\$ 42,546	\$ 23,602,233

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation
Cash and investments - beginning	\$ 267,760	\$ 906,722	\$ -	\$ 6,091,953	\$ 1,415,189	\$ -	\$ 4,350,582	\$ (192,398)
Receipts:								
Local sources	619,039	1,981,904	-	10,444,793	1,340,333	19,527	8,458,488	6,187,840
Intermediate sources	306,688	-	-	-	-	-	-	-
State sources	52,645,934	-	-	-	-	-	-	-
Federal sources	62,129	-	-	-	-	-	-	-
Temporary loans	-	284,700	-	2,354,100	541,700	2,098,300	3,783,500	2,776,100
Other	-	-	-	-	-	-	-	-
Total receipts	<u>53,633,790</u>	<u>2,266,604</u>	<u>-</u>	<u>12,798,893</u>	<u>1,882,033</u>	<u>2,117,827</u>	<u>12,241,988</u>	<u>8,963,940</u>
Disbursements:								
Current:								
Instruction	42,506,727	-	-	-	-	-	39,000	284
Support services	11,528,821	-	-	-	-	-	3,444,341	3,348,739
Noninstructional services	1,050,186	-	-	-	-	-	-	-
Facilities acquisition and construction	233,668	-	-	-	-	-	4,253,989	-
Debt services	-	1,338,558	-	12,607,491	1,947,535	18,333	4,200,000	3,150,100
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>55,319,402</u>	<u>1,338,558</u>	<u>-</u>	<u>12,607,491</u>	<u>1,947,535</u>	<u>18,333</u>	<u>11,937,330</u>	<u>6,499,123</u>
Excess (deficiency) of receipts over disbursements	<u>(1,685,612)</u>	<u>928,046</u>	<u>-</u>	<u>191,402</u>	<u>(65,502)</u>	<u>2,099,494</u>	<u>304,658</u>	<u>2,464,817</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	3,500	-	-	-	-	-	-	-
Transfers in	633,530	-	-	-	-	-	62,066	9,030
Transfers out	(195,399)	-	-	-	-	-	(944)	(23,294)
Total other financing sources (uses)	<u>441,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,122</u>	<u>(14,264)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,243,981)</u>	<u>928,046</u>	<u>-</u>	<u>191,402</u>	<u>(65,502)</u>	<u>2,099,494</u>	<u>365,780</u>	<u>2,450,553</u>
Cash and investments - ending	<u>\$ (976,221)</u>	<u>\$ 1,834,768</u>	<u>\$ -</u>	<u>\$ 6,283,355</u>	<u>\$ 1,349,687</u>	<u>\$ 2,099,494</u>	<u>\$ 4,716,362</u>	<u>\$ 2,258,155</u>

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction	2012 BAN	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 767,803	\$ 1,650,000	\$ 1,859,285	\$ 3,038,840	\$ 179,626	\$ -	\$ 936,106	\$ 1,058,761
Receipts:								
Local sources	1,262,407	-	-	101	775,716	-	2,125,645	1,669,372
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	62,668	181,477
Federal sources	-	-	-	-	-	-	922,734	-
Temporary loans	-	-	-	-	-	4,000,000	-	-
Other	-	-	-	-	-	-	266	-
Total receipts	1,262,407	-	-	101	775,716	4,000,000	3,111,313	1,850,849
Disbursements:								
Current:								
Instruction	-	114,166	-	1,451,579	-	-	465	48,396
Support services	90,168	1,535,834	-	-	2,500	-	23,147	2,044,607
Noninstructional services	-	-	-	-	-	-	3,188,639	-
Facilities acquisition and construction	-	-	-	-	1,529,296	3,429,481	-	-
Debt services	-	-	-	-	-	4,000,000	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	90,168	1,650,000	-	1,451,579	1,531,796	7,429,481	3,212,251	2,093,003
Excess (deficiency) of receipts over disbursements	1,172,239	(1,650,000)	-	(1,451,478)	(756,080)	(3,429,481)	(100,938)	(242,154)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	4,525,000	-	-
Transfers in	-	-	-	-	5,707	-	-	-
Transfers out	-	-	-	-	(67,773)	-	(51,615)	(642,560)
Total other financing sources (uses)	-	-	-	-	(62,066)	4,525,000	(51,615)	(642,560)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,172,239	(1,650,000)	-	(1,451,478)	(818,146)	1,095,519	(152,553)	(884,714)
Cash and investments - ending	\$ 1,940,042	\$ -	\$ 1,859,285	\$ 1,587,362	\$ (638,520)	\$ 1,095,519	\$ 783,553	\$ 174,047

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Self- Insurance	Levy Excess	West Lake Special Education Cooperative	Safe Schools Commission	School Library Grant	Safe Haven 04-05	MAAP Service West Lake	Knights of Columbus West Lake
Cash and investments - beginning	\$ 3,448,551	\$ -	\$ (787,945)	\$ -	\$ 22,117	\$ -	\$ -	\$ -
Receipts:								
Local sources	9,954,278	-	11,242,366	3,585	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	79,353	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>9,954,278</u>	<u>-</u>	<u>11,321,719</u>	<u>3,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	8,366,819	-	-	-	-	-
Support services	6,179,387	-	2,913,951	-	9,310	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,474,695	-	9,000	-	-	-	-	-
Total disbursements	<u>9,654,082</u>	<u>-</u>	<u>11,289,770</u>	<u>-</u>	<u>9,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>300,196</u>	<u>-</u>	<u>31,949</u>	<u>3,585</u>	<u>(9,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	271,252	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>271,252</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>571,448</u>	<u>-</u>	<u>31,949</u>	<u>3,585</u>	<u>(9,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,019,999</u>	<u>\$ -</u>	<u>\$ (755,996)</u>	<u>\$ 3,585</u>	<u>\$ 12,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	West Lake Jumpstart	Safe Haven 06-07	Kolling National Trail	United Way	Wellness Grant	Kids on the Block	Recycling Tire Grant	932,400 CSF 5/11
Cash and investments - beginning	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 786	\$ -	\$ 11,865
Receipts:								
Local sources	-	-	-	10,463	1,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	10,463	1,000	-	-	-
Disbursements:								
Current:								
Instruction	-	-	-	10,463	-	-	-	274,169
Support services	-	-	-	-	-	-	-	49,724
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	13,174
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	10,463	-	-	-	337,067
Excess (deficiency) of receipts over disbursements	-	-	-	-	1,000	-	-	(337,067)
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	-	-	-	-	1,000	-	-	(337,067)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ (325,202)</u>

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	200,840 STAA 1/11	949,400 CSF 1/11	949,400 CSF 4/11	Medicaid Reimbursement	Science Fair 2008	Science Fair 2009	NESP 2011/2012	NESP 2010/2011
Cash and investments - beginning	\$ -	\$ (187,868)	\$ (337,428)	\$ -	\$ (365)	\$ (161)	\$ -	\$ 6,662
Receipts:								
Local sources	-	1,679	-	-	1,813	161	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	949,400	949,400	6,264	-	-	21,798	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	951,079	949,400	6,264	1,813	161	21,798	-
Disbursements:								
Current:								
Instruction	-	600,258	224,852	-	1,448	-	21,382	6,662
Support services	-	162,953	387,120	-	-	-	97	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	763,211	611,972	-	1,448	-	21,479	6,662
Excess (deficiency) of receipts over disbursements	-	187,868	337,428	6,264	365	161	319	(6,662)
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	-	187,868	337,428	6,264	365	161	319	(6,662)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 6,264	\$ -	\$ -	\$ 319	\$ -

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Non-English Speaking 2008	Non-English Speaking 2009	USF Tech Refund	ISAIP Professional Development	Insurance/ Other Adjustment	IDEM Grants	IDEM Grant	IDEM Bibich Trail Waste Tire Grant
Cash and investments - beginning	\$ -	\$ -	\$ (158,862)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	91,672	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	142,274	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	233,946	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	271,519	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	271,519	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(37,573)	-	-	-	-	-
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	-	-	(37,573)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (196,435)	\$ -	\$ -	\$ -	\$ -	\$ -

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Central V State IN	Title I 2010-11	Title I	Title I 2011-12	Title I 2009-10	Title II	Innovative Education Program Strategies Title V (Part A)	Title V-A 2006-07
Cash and investments - beginning	\$ -	\$ (484,992)	\$ -	\$ -	\$ 135,923	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	689,306	-	310,473	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	689,306	-	310,473	-	-	-	-
Disbursements:								
Current:								
Instruction	-	163,059	-	559,140	-	-	-	-
Support services	-	2,992	-	11,816	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	166,051	-	570,956	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	523,255	-	(260,483)	-	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	135,923	-	174,186	-	-	-	-
Transfers out	-	(174,186)	-	-	(135,923)	-	-	-
Total other financing sources (uses)	-	(38,263)	-	174,186	(135,923)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	484,992	-	(86,297)	(135,923)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (86,297)	\$ -	\$ -	\$ -	\$ -

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title V (Part A) 2008-09	IDEA Part B 2010-11	IDEA Part B 2011-12	IDEA Part B	IDEA Part B 2009-10	Federal Preschool 2010-11	Federal Preschool 2011-12	Federal Preschool 2009-10
Cash and investments - beginning	\$ -	\$ (112,412)	\$ -	\$ -	\$ -	\$ 431	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	907,176	1,955,663	-	-	12,777	93,169	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	907,176	1,955,663	-	-	12,777	93,169	-
Disbursements:								
Current:								
Instruction	-	469,971	1,508,429	-	-	7,517	62,737	-
Support services	-	324,793	625,364	-	-	5,691	37,377	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	794,764	2,133,793	-	-	13,208	100,114	-
Excess (deficiency) of receipts over disbursements	-	112,412	(178,130)	-	-	(431)	(6,945)	-
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	-	112,412	(178,130)	-	-	(431)	(6,945)	-
Cash and investments - ending	\$ -	\$ -	\$ (178,130)	\$ -	\$ -	\$ -	\$ (6,945)	\$ -

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Part B New	Drug Free Schools	Drug Free Schools 2008	Drug Free Schools 2007-08	Drug Free Schools 2009	Team Nutrition Training Grants	Education for Economic Security	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ (15,999)	\$ -	\$ -	\$ -	\$ 1,804	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	15,999	-	-	-	-	-	12,696
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	15,999	-	-	-	-	-	12,696
Disbursements:								
Current:								
Instruction	-	-	-	-	-	798	-	-
Support services	-	-	-	-	-	1,006	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	1,804	-	-
Excess (deficiency) of receipts over disbursements	-	15,999	-	-	-	(1,804)	-	12,696
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	-	15,999	-	-	-	(1,804)	-	12,696
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,696

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Safe Routes	Title II, Part A 2007	Improving Teaching Quality Title II, Part A	Title II, Part A 2010-11	Title II, Part A 2010-12	Title II, Part A 2007-08	Enhanced Education Through Technology Title II, Part D
Cash and investments - beginning	\$ (27,869)	\$ -	\$ 2,120	\$ (213,437)	\$ -	\$ -	\$ 39,072
Receipts:							
Local sources	-	-	-	-	-	-	6,982
Intermediate sources	-	-	-	-	-	-	-
State sources	32,031	-	-	-	-	-	-
Federal sources	-	-	-	246,264	15,157	-	32,211
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>32,031</u>	<u>-</u>	<u>-</u>	<u>246,264</u>	<u>15,157</u>	<u>-</u>	<u>39,193</u>
Disbursements:							
Current:							
Instruction	6,458	-	2,120	32,062	26,298	-	68,986
Support services	-	-	-	765	12,862	-	9,279
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>6,458</u>	<u>-</u>	<u>2,120</u>	<u>32,827</u>	<u>39,160</u>	<u>-</u>	<u>78,265</u>
Excess (deficiency) of receipts over disbursements	<u>25,573</u>	<u>-</u>	<u>(2,120)</u>	<u>213,437</u>	<u>(24,003)</u>	<u>-</u>	<u>(39,072)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>25,573</u>	<u>-</u>	<u>(2,120)</u>	<u>213,437</u>	<u>(24,003)</u>	<u>-</u>	<u>(39,072)</u>
Cash and investments - ending	<u>\$ (2,296)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,003)</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title II, Part A 2009-10	Title II, Part D	Title III, Language Instruction	Title III 2010-11	Title III 2011-12	Title II, Part D	Fiscal Stabilization - Education	Title I - Grants to LEAs (Stimulus)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (7,041)	\$ -	\$ -	\$ -	\$ (23,479)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	32,900	15,881	-	-	103,246
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	32,900	15,881	-	-	103,246
Disbursements:								
Current:								
Instruction	-	-	-	25,349	16,014	-	-	79,691
Support services	-	-	-	510	1,007	-	-	1,080
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	25,859	17,021	-	-	80,771
Excess (deficiency) of receipts over disbursements	-	-	-	7,041	(1,140)	-	-	22,475
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	-	-	-	7,041	(1,140)	-	-	22,475
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (1,140)	\$ -	\$ -	\$ (1,004)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I - School Improvement	Special Education - Part B (Stimulus)	Special Education - Part B - Preschool (Stimulus)	Education Technology (Stimulus)	Education Jobs	Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ (60,759)	\$ (22,256)	\$ -	\$ -	\$ 42,546	\$ 23,602,233
Receipts:							
Local sources	-	-	-	-	-	-	56,199,164
Intermediate sources	-	-	-	-	-	-	306,688
State sources	-	-	-	-	-	-	55,070,599
Federal sources	-	307,087	44,055	-	1,728,298	-	7,507,221
Temporary loans	-	-	-	-	-	-	15,838,400
Other	-	-	-	-	-	13,975,574	13,975,840
Total receipts	-	307,087	44,055	-	1,728,298	13,975,574	148,897,912
Disbursements:							
Current:							
Instruction	-	146,480	21,799	-	1,664,277	-	58,527,855
Support services	-	93,837	-	-	61,311	-	33,181,908
Noninstructional services	-	-	-	-	-	-	4,238,825
Facilities acquisition and construction	-	6,011	-	-	-	-	9,465,619
Debt services	-	-	-	-	-	-	27,262,017
Nonprogrammed charges	-	-	-	-	-	13,962,595	17,446,290
Total disbursements	-	246,328	21,799	-	1,725,588	13,962,595	150,122,514
Excess (deficiency) of receipts over disbursements	-	60,759	22,256	-	2,710	12,979	(1,224,602)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	4,528,500
Transfers in	-	-	-	-	-	-	1,291,694
Transfers out	-	-	-	-	-	-	(1,291,694)
Total other financing sources (uses)	-	-	-	-	-	-	4,528,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	60,759	22,256	-	2,710	12,979	3,303,898
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 2,710	\$ 55,525	\$ 26,906,131

LAKE CENTRAL SCHOOL CORPORATION
OTHER REPORT

The audit report presented herein was prepared in addition to another official report prepared for the individual School Corporation office listed below:

Extra-Curricular Accounts

LAKE CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations, for the years ended December 31:

<u>Fund</u>	<u>2010</u>	<u>2011</u>
Capital Projects	\$ 9,980,174	\$ 225,119
School Transportation	-	92,521

A contributing factor to the 2010 overspending was the fact that the budget was not approved until August 31, 2010, which was eight months into the year.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TRANSPORTATION FUND EXPENDITURES – SECURITY OFFICER

The salary of the School Corporation security officer was paid from the Transportation Fund. The officer provides security services to the School Corporation.

Indiana Code 20-40-6-6(a) states:

"The following costs are payable from the fund:

- (1) The salaries paid to bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees.
- (2) Contracted transportation service.
- (3) Wages of independent contractors.
- (4) Contracts with common carriers.
- (5) Student fares.
- (6) Transportation related insurance.
- (7) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires, repairs, contracted repairs, parts, supplies, equipment, and other related expenses."

LAKE CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

AVERAGE DAILY MEMBERSHIP

The numbers reported to the Indiana Department of Education for Average Daily Membership (ADM) does not agree to the number of students that were certified by the principals of individual schools within the School Corporation. The Indiana Department of Education notifies the School Corporation of conflicts, for example, when a student is being included in the ADM by two different school corporations. These conflicts have to be resolved between the school corporations to determine which school corporation can include the student in their ADM before the counts can be finalized. The conflict resolution process causes changes in the ADM count which differs from what the principals have certified. The officials did not maintain written documentation or printouts to document the additions and deletions to the initial ADM counts that occurred during this process. As a result, the 2010-2011 and 2011-2012 school year had net differences between one to two students under reported.

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

PRESCRIBED FORMS UNSECURED

Check forms are not maintained in a secure location.

The computerized accounting system must incorporate features that assure all accounting information is reported accurately and completely. Procedures must also exist to assure that only authorized individuals have access to computer generated output. All receipts or payments generated by the accounting system must include unique document identification numbers either preprinted on the form or printed on the form by the application system. If the numbers are printed on the form by the application system, adequate security must be implemented to prevent unauthorized modification of the number sequence. Preprinted receipt and check stock must not include preprinted signatures, must be securely stored, and usage must be logged and reconciled. If the report content can be modified via user selection of various criteria such as account codes, department codes, transaction codes, status codes, etc., the report heading should contain sufficient information regarding the selection criteria to allow another user to understand what information is being reported and recreate the report. All output reports must clearly indicate the effective dates of the information in addition to the report generation date. Output reports must have appropriate subtotals to allow reconciliation to other reports and to external documentation. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE LAKE CENTRAL SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Compliance

We have audited the Lake Central School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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.

As described in item 2012-01 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs, Cash Management, Period of Availability, and Reporting that are applicable to its Improving Teacher Quality State Grants. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal programs for the period of July 1, 2010 to June 30, 2012.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

compliance with requirements that could have a direct and material effect on a major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies, or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-01 to be material weaknesses.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

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

October 30, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 92,470	\$ 138,240
National School Lunch Program	10.555		1,021,858	1,026,291
Special Milk Program for Children	10.556		<u>1,398</u>	<u>2,388</u>
Total for cluster			<u>1,115,726</u>	<u>1,166,919</u>
Team Nutrition Grants	10.574		<u>4,271</u>	<u>1,804</u>
Total for federal grantor agency			<u>1,119,997</u>	<u>1,168,723</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205			
Safe Routes to School Program		EDS# A249-8-320136	<u>30,831</u>	<u>6,458</u>
Total for federal grantor agency			<u>30,831</u>	<u>6,458</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			
		10-4615	163,836	-
		11-4615	484,992	166,052
		12-4615	<u>-</u>	<u>570,956</u>
Total for program			<u>648,828</u>	<u>737,008</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	4615	<u>71,877</u>	<u>80,771</u>
Total for cluster			<u>720,705</u>	<u>817,779</u>
Special Education Cluster				
Special Education - Grants to States	84.027		550,941	-
			2,113,229	794,764
			<u>-</u>	<u>2,133,794</u>
Total for program			<u>2,664,170</u>	<u>2,928,558</u>
Special Education - Preschool Grants	84.173		16,837	-
			97,251	13,208
			<u>-</u>	<u>100,114</u>
Total for program			<u>114,088</u>	<u>113,322</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	4615	<u>1,335,171</u>	<u>246,328</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	4615	<u>73,919</u>	<u>21,799</u>
Total for cluster			<u>4,187,348</u>	<u>3,310,007</u>

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

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012
(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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Educational Technology State Grants Cluster				
Educational Technology State Grants (Title II, Part D)	84.318		189,110	78,265
ARRA - Educational Technology State Grants, Recovery Act	84.386	4615	13,207	-
Total for cluster			202,317	78,265
Safe and Drug-Free Schools and Communities - State Grants (Title IV, Part A)				
	84.186		33	-
			124	-
			33	-
		09-4615	23,593	-
Total for program			23,783	-
State Grants for Innovative Programs (Title V, Part A)				
	84.298		127	-
		FY 08-09		-
Total for program			127	-
English Language Acquisition Grants (Title III)				
	84.365		1,423	-
		FY 09-10	7,041	25,859
		FY 10-11	-	17,021
		FY 11-12		
Total for program			8,464	42,880
Improving Teacher Quality State Grants (Title II, Part A)				
	84.367		122	-
		08-4615	1,582	-
		09-4615	154,547	2,120
		10-4615	213,438	32,826
		11-4615	-	39,161
Total for program			369,689	74,107
Education Jobs Fund	84.410		-	1,725,589
Total for federal grantor agency			5,512,433	6,048,627
Total federal awards expended			<u>\$ 6,663,261</u>	<u>\$ 7,223,808</u>

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

LAKE CENTRAL 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 Lake Central 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.

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, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 17,054	\$ 57,975
National School Lunch Program	10.555	185,649	186,210

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as GAAP; 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?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified for all programs except for Improving Teacher Quality State Grants, which was qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Title I, Part A Cluster
	Special Education Cluster
84.367	Improving Teacher Quality State Grants
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$403,205

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

LAKE CENTRAL SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-01 - ALLOWABLE COSTS, CASH MANAGEMENT, PERIOD OF AVAILABILITY, REPORTING

Federal Agency: U.S. Department of Education
 Federal Program: Improving Teacher Quality State Grants
 CFDA Number: 84.367
 Federal Award Number and Year: 10-4615, FY10
 Pass-Through Entity: Indiana Department of Education

Lake Central School Corporation (School Corporation) was awarded an Improving Teacher Quality State Grant in the amount of \$179,306. The project period was October 1, 2010 to September 30, 2012 (FY10). The primary purpose of the grant was for costs related to class size reduction. However, the budget did include minimal amounts for professional development and administration. The Indiana Department of Education (the grantor agency) required this grant to be a reimbursement type grant, whereby, payments are made to the School Corporation after the School Corporation had expended funds for grant purposes.

Fund Title IIA 10/11 (684-1) was created in the School Corporations' records to account for the grant activity. We noted that \$246,264 in disbursements was recorded to Fund 684-1 which exceeded the total grant award by \$66,958. Since the disbursements recorded in the School Corporation's records exceeded the grant award, further audit procedures were performed to determine the amounts actually related to the grant award, as described in the following paragraph. We determined that the excess disbursements recorded in the fund were attributed to the prior year's grant award.

The reimbursement report submitted to the Indiana Department of Education in September 2011 for the FY10 grant reported disbursements for the entire grant award amount of \$179,306. Review of the grant disbursements, in comparison to payroll records and grant budget worksheets, determined that actual grant disbursements were less than the amount reported for reimbursement by \$33,092 as follows:

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Disbursements</u>	<u>Difference - Excessive Reimbursement</u>	<u>Note:</u>
Professional Development	\$ 7,531	\$ -	\$ 7,531	
Class-Size Reduction	166,396	143,131	23,265	
Administration	<u>5,379</u>	<u>3,083</u>	<u>2,296</u>	
Totals	<u>\$ 179,306</u>	<u>\$ 146,214</u>	<u>\$ 33,092</u>	(a)

(a) Of the \$33,092, \$5,745 was due to a private school's reimbursement for its 2009-2010 disbursements from the FY10 grant. The reimbursed amounts of \$5,745 did not fall in the period of availability and were not eligible for reimbursement from the FY10 grant award. Therefore, \$5,745 was not included in the disbursements column in the table above.

The disbursement of \$5,745 was paid during the period of the FY10 grant. It was not recorded to the FY 09 grant because there were insufficient funds available to pay the claim. Although no other claims tested occurred outside of the period of availability, controls were insufficient to prevent or detect non-compliance with period of availability.

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Due to the reimbursement request reported, the School Corporation received grant funds for which it was not entitled to. The \$33,092 reimbursed was for costs not allocable to the grant. We considered the \$33,092 to be questioned costs.

A reconciliation of grant activity to the grant budget was not performed before the reimbursement request was submitted which would have detected the over reporting. This lack of reconciliation weakened internal controls over the grant for allowability and reporting.

34 CFR § 80.23(a) states in part: "Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period."

OMB Circular A-87, Attachment A states in part:

"C. Basic Guidelines

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of 2 CFR part 225."

34 CFR 80.21 (d) states: "Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement."

34 CFR 80.20 (b)(1) states: "Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

Circular A-133 Subpart .300 Auditee responsibilities states in part:

"The auditee shall . . .

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

Failure to adhere to requirements may cause the School Corporation to be determined to be ineligible for future federal funding.

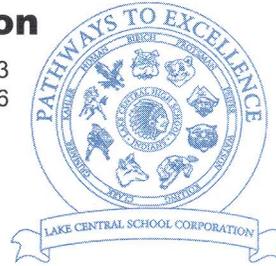
We recommended that the School Corporation's officials establish internal controls to ensure that grant requirements are complied with. We also recommended the School Corporation contact the Indiana Department of Education regarding the grant reimbursement for costs not allocable to the grant.

Lake Central School Corporation

8260 Wicker Avenue
Tel: (219) 365-8507

St John, IN 46373
Fax: (219) 365-6406

website: lcsc.us



Lawrence Veracco, Ph.D.
Superintendent

Rob James
Director of Business
Services

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number:	2010-5 Allowable Costs
Original SBA Audit Report Number:	B38479
Fiscal Year:	July 1, 2008 to June 30, 2010
Auditee Contact Person:	Robert James
Title of Contact Person:	Director of Business Services
Phone Number:	219-365-8507, ext. 124

Status of Finding:

This finding has been corrected as of June 30, 2012. When a new grant is awarded, usually in the fall, this administration creates a new fund for that particular grant in order to not comingle grant dollars from year to year. Based upon the grant award, the grant manager determines which individuals are to be paid from the grant. This detail is then given to the Director of Business Services to review and process with the payroll department. When the list is given to the payroll department, we not only make sure the new members are coded for the grant, but we also make sure that the individuals previously paid from the grant are removed and reallocated to another fund. After we met with the payroll department at the beginning of the 2011-2012 school year, we later discovered that an adjustment was made to the staffing assignments; however, our internal control procedures at that time did not address this adjustment. Since becoming aware of this, we have implanted new procedures when a staffing adjustment is made. The new procedure requires the staffing recommendation to be signed off by the Director of Personnel who then, in turn, gives it to the Director of Business Services. The Director of Business Services determines the fund for the new employee to be paid from and also determines if this person is replacing somebody else. If the new staff member is replacing somebody, we make sure the previous person is removed from that funding position and reallocated to a different fund, if applicable.

Finding Number:	2010-6 Reporting
Original SBA Audit Report Number:	B38479
Fiscal Year:	July 1, 2008 to June 30, 2010
Auditee Contact Person:	Robert James
Title of Contact Person:	Director of Business Services
Phone Number:	219-365-8507, ext. 124

Status of Finding:

Most of this finding has been corrected as of June 30, 2012. Quarterly expenditure reports are done timely for our grants. The district was late with our 2010-2011 Title 1 Final Report of Expenditures. This occurred because we did not feel we had an accurate carry-over amount to report at the end of the grant year. We worked with the Indiana Department of Education to help compute an accurate carry-over balance. We took the position that we would rather have the report accurate and late than erroneous. As for the accuracy of the data on our reports, the dollar amounts expended for each reported period, agree to the amounts in our financial software system.

Finding Number: 2010-7 Cash Management
Original SBA Audit Report Number: B38479
Fiscal Year: July 1, 2008 to June 30, 2010
Auditee Contact Person: Robert James
Title of Contact Person: Director of Business Services
Phone Number: 219-365-8507, ext. 124

Status of Finding:

This finding has been corrected as of June 30, 2012. As previously noted, this administration creates a new grant fund each year. This is essential in order to have accurate data to report on financial reports. Additionally, all federal grants have now become reimbursement based. Therefore, a separation of funds is critical in order to determine the amount of each draw down. At the end of each month, I request a draw down of grant funds equal to the amount of expenditures for that month. A copy of the request is given to the corporation treasurer, noting which fund the dollars are to be receipted into. Because of the system we have put into place, the receipts in one month equal the fund's disbursements from the prior month. By reviewing our financial reports monthly, I can tell if an amount was receipted into the wrong fund. If that occurs, a correction is made immediately. We also track each grant on a monthly basis, noting how much has been spent to date and how much remains to be drawn down. This control procedure prevents the grant funds from being overspent.

Finding Number: 2010-8 Suspend & Debarred Controls and Compliance
Original SBA Audit Report Number: B38479
Fiscal Year: July 1, 2008 to June 30, 2010
Auditee Contact Person: Robert James
Title of Contact Person: Director of Business Services
Phone Number: 219-365-8507, ext. 124

Status of Finding:

Our Accounts Payable and Special Education departments were given the link to the *Excluded Parties List System (EPLS)* at the end of the previous audit. They were informed that vendors receiving over \$25,000 from federal grant funds needed to be verified through the EPLS before issuing a purchase order or contract.



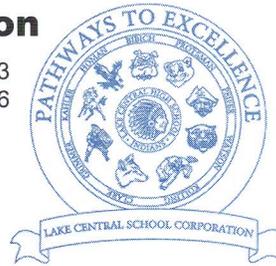
Robert K. James, CPA, CBO
Director of Business Services

Lake Central School Corporation

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Lawrence Veracco, Ph.D
Superintendent

Rob James
Director of Business
Services

CORRECTIVE ACTION PLAN

Section III – Federal Award Findings

FINDING 2012-1, ALLOWABLE COSTS, CASH MANAGEMENT, PERIOD OF AVAILABILITY, REPORTING

Auditee Contact Person: Rob James
Title of Contact Person: Director of Business Services
Phone Number: 219-365-8507

Auditee Contact Person: Mark Kellogg
Title of Contact Person: Director of Primary Education; Grant Administrator
Phone Number: 219-365-8507

When the current Director of Business Services was hired during the 2010-2011 school year, the school corporation did not have an efficient internal control structure in place at the time these incidents took place. Upon these internal control deficiencies being brought to our attention two years ago, the administration immediately implemented controls to better monitor grants and reduce the risk of unallowable costs being charged to the grant during the period of availability. Specifically, the Director of Business Services now maintains a spreadsheet that keeps track of the grant award, expenditures to date, and the percentage of the grant remaining. This spreadsheet is updated on a monthly basis. Also, grant reimbursements are now requested monthly. By requesting the reimbursements on a monthly basis, the Director of Business Services reviews the grant activity in a timely manner and notices if any inappropriate expenditures are charged to the grant. Lastly, the Director of Business Services and the grant administrator regularly communicate about the grant expenditures and ongoing balances. The open communication ensures that another school administrator is also aware of the grant activity and adds an additional layer of internal controls. The school district will continue to utilize all of these internal control procedures and implement others if any weaknesses are later discovered.

Robert K. James, CPA
Director of Business Services
October 30, 2012

LAKE CENTRAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2012, with Dr. Lawrence Veracco, Superintendent of Schools; Al Gandolfi, Assistant Superintendent of Schools; Mark Kellogg, Director of Primary Education; Robert James, Director of Business Services; Lori Miskus, Treasurer; and Howard Marshall, Jr., President of the School Board. The Official Response has been made a part of this report and may be found on pages 60 and 61.

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Lawrence Veracco, Ph.D
Superintendent

Rob James
Director of Business
Services

OFFICIAL RESPONSE

November 6, 2012

Mr. Bruce Hartman
State Examiner
Indiana State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, IN 46204-2765

Dear Mr. Hartman:

This is the official response to the Indiana State Board of Accounts audit report of the Lake Central School Corporation for the period July 1, 2010 to June 30, 2012.

Appropriations

The Lake Central School Corporation did not have an adequate internal control structure to monitor financial activity when the current administration was hired during the 2010/2011 school year. Since then, internal controls have been implemented to reduce the risk of exceeding budgeted appropriations. Specifically, the new Director of Business Services tracks the cash flows for all of the district's state and tax supported funds. The projected expenditures for the year are updated on a monthly basis and compared to the approved budget amount. When it appears that expenditures may exceed the approved amount, proposed upcoming expenditures are reevaluated. The school district will continue to utilize these internal control procedures and implement others if weaknesses are later discovered.

Transportation Fund Expenditures – Security Officer

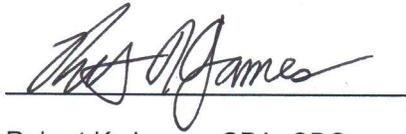
The district acknowledges that the security officer should not have been paid from the corporation's Transportation Fund. Upon this information being brought to our attention, the district immediately reallocated the officer's payroll distribution and he is currently being paid from the General Fund.

Average Daily Membership (ADM)

After the official Average Daily Membership (ADM) count day, school corporations are given a two week window to resolve any errors or conflicts before the official totals are required to be submitted to the Indiana Department of Education. Historically, the district did not preserve the documentation used to resolve these conflicts or errors. In the future, the district intends to keep a hard copy of the initial conflicts noted by the Indiana Department of Education. We will then preserve all documentation reconciling the initial count to the final totals submitted to the Indiana Department of Education.

Check Forms

The school corporation recognizes that all checks need to be maintained in a secure location. The district intends to purchase a locking cabinet to store the checks and reduce the risk of their security being compromised.

A handwritten signature in black ink, appearing to read "Robert K. James", is written over a solid horizontal line.

Robert K. James, CPA, CBO
Director of Business Services