

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
DEARBORN COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
07/25/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pam Taylor	01-01-11 to 12-31-14
Superintendent of Schools	Karl Galey	07-01-11 to 06-30-14
President of the School Board	Greg McAdams Kelly Mollaun Greg McAdams	01-01-11 to 12-31-11 01-01-12 to 12-31-13 01-01-14 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Lawrenceburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

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, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 7, 2014, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

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 records 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis and Schedule of Leases and Debt, 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.


Paul D. Joyce, CPA
State Examiner

May 7, 2014



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INDEPENDENT AUDITOR'S 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 LAWRENCEBURG COMMUNITY
SCHOOL CORPORATION, DEARBORN COUNTY, INDIANA

We have audited, 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, the financial statement of the Lawrenceburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated May 7, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, and 2013-003 to be material weaknesses.

INDEPENDENT AUDITOR'S 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

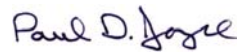
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

Lawrenceburg Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 7, 2014

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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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 1,679,540	\$ 13,201,997	\$ 12,233,973	\$ (20,369)	\$ 2,627,195	\$ 13,124,954	\$ 12,598,497	\$ (19,831)	\$ 3,133,821
Debt Service	807,273	1,726,030	1,670,346	-	862,957	1,685,337	1,673,726	-	874,568
Capital Projects	2,847,008	2,309,517	2,438,488	(399,733)	2,318,304	2,368,799	1,940,872	(1,599,636)	1,146,595
School Transportation	55,993	588,943	541,607	33,451	136,780	655,715	541,888	(130,000)	120,607
School Bus Replacement	301,264	288,914	215,620	-	374,558	309,662	194,799	-	489,421
Rainy Day	-	-	-	400,000	400,000	-	100,000	1,730,000	2,030,000
Post-Retirement/Severance Future Benefits	135,269	-	-	29,380	164,649	-	-	29,380	194,029
School Lunch	237,469	828,358	728,110	-	337,717	816,753	844,719	-	309,751
Textbook Rental	(148,721)	299,741	473,155	-	(322,135)	529,731	143,180	-	64,416
Self-Insurance	11,318	44,346	40,940	-	14,724	42,899	38,275	-	19,348
Levy Excess	33,451	-	-	(33,451)	-	-	-	-	-
Plato Project	-	108,070	111,212	-	(3,142)	45,858	46,143	-	(3,427)
Project Lead The Way	-	55,263	64,075	-	(8,812)	70,205	66,431	-	(5,038)
Athletic Trainer	-	16,987	18,947	-	(1,960)	3,267	1,307	-	-
Alternative To Suspension	-	105,708	113,813	-	(8,105)	98,856	96,738	-	(5,987)
Student Resource/Homework Help	-	74,041	77,869	-	(3,828)	83,415	83,070	-	(3,483)
INSAI Grant	-	-	-	-	-	5,400	5,400	-	-
Shakespear Grant	26	-	26	-	-	-	-	-	-
Contributions/Donations - Private Sources	-	5,417	5,417	-	-	-	-	-	-
One Community One Family	43,000	-	6,767	-	36,233	-	6,633	-	29,600
AHEC Grant - Biomed Costs	-	2,000	1,000	-	1,000	-	739	-	261
ECO 15 Grant Technology	-	30,612	30,612	-	-	-	-	-	-
Dream It Do It - DCF	-	2,000	193	-	1,807	1,500	2,307	-	1,000
Strategic Comp Training Grant	-	-	-	-	-	25,000	25,000	-	-
Walk to School Day	-	-	-	-	-	2,982	2,982	-	-
Local Tech Prep PLTW	-	30,016	29,600	-	416	-	-	-	416
Early College Program	-	59,225	59,225	-	-	58,659	58,379	-	280
Extra-Curricular Costs	-	-	-	-	-	9,000	-	-	9,000
AEP Grant Biomed Grant	-	-	-	-	-	3,500	3,500	-	-
Extra-Curricular Activities	-	20,340	20,061	-	279	20,258	23,170	-	(2,633)
Drivers Ed	-	39,634	22,318	-	17,316	29,577	25,128	-	21,765

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Scholarships and Awards	101,657	1,769	1,600	-	101,826	2,003	1,300	-	102,529
Drug Free Communities	231	-	203	-	28	-	-	-	28
Medicaid Reimbursement	-	9,344	-	(8,495)	849	9,955	-	(9,932)	872
Non-English Speaking Programs P.L. 273-1999	92	1,759	1,851	-	-	1,414	800	-	614
School Technology	3,659	14,781	16,894	-	1,546	16,747	13,550	-	4,743
Technology Planning Grant	-	-	-	-	-	30,000	30,000	-	-
Gifted and Talented	17,820	31,481	26,402	-	22,899	33,488	39,135	-	17,252
Latchkey	8,944	12,110	11,232	-	9,822	20,610	13,155	-	17,277
Title I Part D 10/11	4,983	-	430	(4,553)	-	-	-	-	-
Title I Part D 11/12	-	59,481	75,062	4,553	(11,028)	20,179	9,151	-	-
Title I Part D 12/13	-	-	-	-	-	23,319	29,574	-	(6,255)
Title I 11/12	-	253,922	283,483	-	(29,561)	56,299	26,738	-	-
Title I 12/13	-	-	-	-	-	276,664	293,687	-	(17,023)
Title IV Part A Safe/Drug Free	1,369	2,233	3,602	-	-	242	242	-	-
Medicaid Reimbursement - Federal	369	18,937	5,185	(516)	13,605	21,073	4,719	383	30,342
Improving Teaching Quality, No Child Left, Title II, Part A	-	8,105	8,105	-	-	-	-	-	-
Title IIA 11/12	-	86,006	90,128	-	(4,122)	5,437	1,315	-	-
Imp Teach Qual Title IIA 11/12	-	22,377	35,158	-	(12,781)	55,861	45,715	-	(2,635)
Title IIA, FY 12	-	-	-	-	-	2,246	2,246	-	-
ITQ, Enhanced Education Through Technology, Title II, Part D	7	93,586	94,054	-	(461)	-	(461)	-	-
Title III, Language Instruction	9	484	3,337	-	(2,844)	8,920	6,076	-	-
Title III 12/13	-	-	-	-	-	-	10,760	-	(10,760)
Title I - Grants to LEAs	-	23,502	23,502	-	-	-	-	-	-
Special Education - Part B	-	15,113	15,113	-	-	-	-	-	-
Title I - Part D, Subpart 2	-	8,410	8,783	-	(373)	1,466	1,093	-	-
Education Jobs	-	214,122	243,935	-	(29,813)	162,375	132,562	-	-
Payroll	9,382	10,282,846	10,279,459	-	12,769	9,797,844	9,795,679	-	14,934
Cafeteria Clearing	-	333	-	-	333	1,119	333	-	1,119
Totals	<u>\$ 6,151,412</u>	<u>\$ 30,997,860</u>	<u>\$ 30,130,892</u>	<u>\$ 267</u>	<u>\$ 7,018,647</u>	<u>\$ 30,538,588</u>	<u>\$ 28,980,252</u>	<u>\$ 364</u>	<u>\$ 8,577,347</u>

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

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:

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

LAWRENCEBURG COMMUNITY 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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

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 Capitol 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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capitol 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. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of the correction of errors in the prior period.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Restatements

For the year ended June 30, 2012, 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.

Fund Name	Balance as of June 30, 2011	New Fund	Balance as of July 1, 2011
Payroll	\$ -	\$ 9,382	\$ 9,382

Note 10. Holding Corporation

The School Corporation has entered into a capital lease with Lawrenceburg 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 fiscal years ending June 30, 2012 and 2013, totaled \$1,670,000 and \$1,677,000, respectively.

Note 11. Subsequent Events

During the 2013-2014 school year, the School Board approved a capital project for the renovation of and improvements to Lawrenceburg High School including the replacement of the High School gymnasium and other site improvements. The total cost of the project will be approximately \$13,935,300 which will be funded by \$945,300 from School Corporation funds on hand; \$4,000,000 donation from the City of Lawrenceburg; and \$8,990,000 bond issue from the School Corporation's holding corporation.

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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.

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 1,679,540	\$ 807,273	\$ 2,847,008	\$ 55,993	\$ 301,264	\$ -	\$ 135,269	\$ 237,469	\$ (148,721)	\$ 11,318
Receipts:										
Local sources	1,369,292	1,726,030	2,309,517	588,943	288,914	-	-	348,587	238,694	44,346
Intermediate sources	27	-	-	-	-	-	-	-	-	-
State sources	11,832,678	-	-	-	-	-	-	9,787	61,047	-
Federal sources	-	-	-	-	-	-	-	469,984	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	13,201,997	1,726,030	2,309,517	588,943	288,914	-	-	828,358	299,741	44,346
Disbursements:										
Current:										
Instruction	8,366,317	-	-	-	-	-	-	-	-	-
Support services	3,851,191	-	937,409	541,607	215,620	-	-	-	473,155	-
Noninstructional services	16,465	-	-	-	-	-	-	728,110	-	-
Facilities acquisition and construction	-	-	1,501,079	-	-	-	-	-	-	-
Debt services	-	1,670,346	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	40,940
Total disbursements	12,233,973	1,670,346	2,438,488	541,607	215,620	-	-	728,110	473,155	40,940
Excess (deficiency) of receipts over disbursements	968,024	55,684	(128,971)	47,336	73,294	-	-	100,248	(173,414)	3,406
Other financing sources (uses):										
Sale of capital assets	-	-	267	-	-	-	-	-	-	-
Transfers in	9,011	-	-	33,451	-	400,000	29,380	-	-	-
Transfers out	(29,380)	-	(400,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(20,369)	-	(399,733)	33,451	-	400,000	29,380	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	947,655	55,684	(528,704)	80,787	73,294	400,000	29,380	100,248	(173,414)	3,406
Cash and investments - ending	\$ 2,627,195	\$ 862,957	\$ 2,318,304	\$ 136,780	\$ 374,558	\$ 400,000	\$ 164,649	\$ 337,717	\$ (322,135)	\$ 14,724

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

	Levy Excess	Plato Project	Project Lead The Way	Athletic Trainer	Alternative To Suspension	Student Resource/ Homework Help	INSAI Grant	Shakespear Grant	Contributions/ Donations - Private Sources	One Community One Family
Cash and investments - beginning	\$ 33,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ -	\$ 43,000
Receipts:										
Local sources	-	108,070	55,263	16,987	105,708	74,041	-	-	5,417	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	108,070	55,263	16,987	105,708	74,041	-	-	5,417	-
Disbursements:										
Current:										
Instruction	-	111,212	64,075	-	113,813	-	-	26	-	-
Support services	-	-	-	-	-	77,869	-	-	5,417	6,767
Noninstructional services	-	-	-	18,947	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	111,212	64,075	18,947	113,813	77,869	-	26	5,417	6,767
Excess (deficiency) of receipts over disbursements	-	(3,142)	(8,812)	(1,960)	(8,105)	(3,828)	-	(26)	-	(6,767)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(33,451)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(33,451)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,451)	(3,142)	(8,812)	(1,960)	(8,105)	(3,828)	-	(26)	-	(6,767)
Cash and investments - ending	\$ -	\$ (3,142)	\$ (8,812)	\$ (1,960)	\$ (8,105)	\$ (3,828)	\$ -	\$ -	\$ -	\$ 36,233

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

	AHEC Grant - Biomed Costs	ECO 15 Grant Technology	Dream It Do It - DCF	Strategic Comp Training Grant	Walk to School Day	Local Tech Prep PLTW	Early College Program	Extra- Curricular Costs	AEP Grant Biomed Grant	Extra- Curricular Activities
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	2,000	30,612	2,000	-	-	30,016	59,225	-	-	20,340
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	2,000	30,612	2,000	-	-	30,016	59,225	-	-	20,340
Disbursements:										
Current:										
Instruction	1,000	-	-	-	-	-	59,225	-	-	-
Support services	-	30,612	193	-	-	-	-	-	-	12,900
Noninstructional services	-	-	-	-	-	-	-	-	-	7,161
Facilities acquisition and construction	-	-	-	-	-	29,600	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	30,612	193	-	-	29,600	59,225	-	-	20,061
Excess (deficiency) of receipts over disbursements	1,000	-	1,807	-	-	416	-	-	-	279
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,000	-	1,807	-	-	416	-	-	-	279
Cash and investments - ending	\$ 1,000	\$ -	\$ 1,807	\$ -	\$ -	\$ 416	\$ -	\$ -	\$ -	\$ 279

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

	Drivers Ed	Scholarships and Awards	Drug Free Communities	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Planning Grant	Gifted and Talented	Latchkey	Title I Part D 10/11
Cash and investments - beginning	\$ -	\$ 101,657	\$ 231	\$ -	\$ 92	\$ 3,659	\$ -	\$ 17,820	\$ 8,944	\$ 4,983
Receipts:										
Local sources	39,634	1,769	-	-	-	7,712	-	-	12,110	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	9,344	1,759	7,069	-	31,481	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	39,634	1,769	-	9,344	1,759	14,781	-	31,481	12,110	-
Disbursements:										
Current:										
Instruction	22,318	-	203	-	1,851	-	-	26,402	-	330
Support services	-	-	-	-	-	16,894	-	-	-	100
Noninstructional services	-	-	-	-	-	-	-	-	11,232	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,600	-	-	-	-	-	-	-	-
Total disbursements	22,318	1,600	203	-	1,851	16,894	-	26,402	11,232	430
Excess (deficiency) of receipts over disbursements	17,316	169	(203)	9,344	(92)	(2,113)	-	5,079	878	(430)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(8,495)	-	-	-	-	-	(4,553)
Total other financing sources (uses)	-	-	-	(8,495)	-	-	-	-	-	(4,553)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,316	169	(203)	849	(92)	(2,113)	-	5,079	878	(4,983)
Cash and investments - ending	\$ 17,316	\$ 101,826	\$ 28	\$ 849	\$ -	\$ 1,546	\$ -	\$ 22,899	\$ 9,822	\$ -

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

	Title I Part D 11/12	Title I Part D 12/13	Title I 11/12	Title I 12/13	Title IV Part A Safe/Drug Free	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Title IIA 11/12	Imp Teach Qual Title IIA 11/12	Title IIA FY 12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,369	\$ 369	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	59,481	-	253,922	-	2,233	18,937	8,105	86,006	22,377	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	59,481	-	253,922	-	2,233	18,937	8,105	86,006	22,377	-
Disbursements:										
Current:										
Instruction	31,595	-	281,734	-	-	-	4,730	79,812	2,584	-
Support services	43,467	-	1,749	-	3,602	5,185	3,375	10,316	32,574	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	75,062	-	283,483	-	3,602	5,185	8,105	90,128	35,158	-
Excess (deficiency) of receipts over disbursements	(15,581)	-	(29,561)	-	(1,369)	13,752	-	(4,122)	(12,781)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	4,553	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(516)	-	-	-	-
Total other financing sources (uses)	4,553	-	-	-	-	(516)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,028)	-	(29,561)	-	(1,369)	13,236	-	(4,122)	(12,781)	-
Cash and investments - ending	\$ (11,028)	\$ -	\$ (29,561)	\$ -	\$ -	\$ 13,605	\$ -	\$ (4,122)	\$ (12,781)	\$ -

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

	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III, Language Instruction	Title III 12/13	Title I Grants to LEAs	Special Education Part B	Title I - Part D, Subpart 2	Education Jobs	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ 7	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,382	\$ -	\$ 6,151,412
Receipts:										
Local sources	-	484	-	-	-	-	-	-	333	7,486,044
Intermediate sources	-	-	-	-	-	-	-	-	-	27
State sources	-	-	-	-	-	-	-	-	-	11,953,165
Federal sources	93,586	-	-	23,502	15,113	8,410	214,122	-	-	1,275,778
Other	-	-	-	-	-	-	-	10,282,846	-	10,282,846
Total receipts	93,586	484	-	23,502	15,113	8,410	214,122	10,282,846	333	30,997,860
Disbursements:										
Current:										
Instruction	-	3,337	-	9,982	15,113	5,519	-	-	-	9,201,178
Support services	94,054	-	-	13,520	-	3,264	-	-	-	6,380,840
Noninstructional services	-	-	-	-	-	-	243,935	-	-	1,025,850
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,530,679
Debt services	-	-	-	-	-	-	-	-	-	1,670,346
Nonprogrammed charges	-	-	-	-	-	-	-	10,279,459	-	10,321,999
Total disbursements	94,054	3,337	-	23,502	15,113	8,783	243,935	10,279,459	-	30,130,892
Excess (deficiency) of receipts over disbursements	(468)	(2,853)	-	-	-	(373)	(29,813)	3,387	333	866,968
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	267
Transfers in	-	-	-	-	-	-	-	-	-	476,395
Transfers out	-	-	-	-	-	-	-	-	-	(476,395)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	267
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(468)	(2,853)	-	-	-	(373)	(29,813)	3,387	333	867,235
Cash and investments - ending	\$ (461)	\$ (2,844)	\$ -	\$ -	\$ -	\$ (373)	\$ (29,813)	\$ 12,769	\$ 333	\$ 7,018,647

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 2,627,195	\$ 862,957	\$ 2,318,304	\$ 136,780	\$ 374,558	\$ 400,000	\$ 164,649	\$ 337,717	\$ (322,135)	\$ 14,724
Receipts:										
Local sources	993,053	1,685,337	2,329,478	655,715	309,662	-	-	335,035	463,167	42,899
Intermediate sources	15	-	-	-	-	-	-	-	-	-
State sources	12,131,886	-	-	-	-	-	-	10,040	66,564	-
Federal sources	-	-	-	-	-	-	-	471,678	-	-
Other	-	-	39,321	-	-	-	-	-	-	-
Total receipts	13,124,954	1,685,337	2,368,799	655,715	309,662	-	-	816,753	529,731	42,899
Disbursements:										
Current:										
Instruction	8,406,457	-	-	-	-	-	-	-	-	-
Support services	3,971,903	-	972,427	541,888	194,799	100,000	-	-	143,180	-
Noninstructional services	216,863	-	-	-	-	-	-	844,719	-	-
Facilities acquisition and construction	-	-	968,445	-	-	-	-	-	-	-
Debt services	3,274	1,673,726	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	38,275
Total disbursements	12,598,497	1,673,726	1,940,872	541,888	194,799	100,000	-	844,719	143,180	38,275
Excess (deficiency) of receipts over disbursements	526,457	11,611	427,927	113,827	114,863	(100,000)	-	(27,966)	386,551	4,624
Other financing sources (uses):										
Sale of capital assets	-	-	364	-	-	-	-	-	-	-
Transfers in	9,549	-	-	-	-	1,730,000	29,380	-	-	-
Transfers out	(29,380)	-	(1,600,000)	(130,000)	-	-	-	-	-	-
Total other financing sources (uses)	(19,831)	-	(1,599,636)	(130,000)	-	1,730,000	29,380	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	506,626	11,611	(1,171,709)	(16,173)	114,863	1,630,000	29,380	(27,966)	386,551	4,624
Cash and investments - ending	\$ 3,133,821	\$ 874,568	\$ 1,146,595	\$ 120,607	\$ 489,421	\$ 2,030,000	\$ 194,029	\$ 309,751	\$ 64,416	\$ 19,348

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Levy Excess	Plato Project	Project Lead The Way	Athletic Trainer	Alternative To Suspension	Student Resource/ Homework Help	INSAI Grant	Shakespear Grant	Contributions/ Donations - Private Sources	One Community One Family
Cash and investments - beginning	\$ -	\$ (3,142)	\$ (8,812)	\$ (1,960)	\$ (8,105)	\$ (3,828)	\$ -	\$ -	\$ -	\$ 36,233
Receipts:										
Local sources	-	45,858	70,205	3,267	98,856	83,415	5,400	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	45,858	70,205	3,267	98,856	83,415	5,400	-	-	-
Disbursements:										
Current:										
Instruction	-	46,143	66,431	-	96,738	-	-	-	-	-
Support services	-	-	-	-	-	83,070	5,400	-	-	6,633
Noninstructional services	-	-	-	1,307	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	46,143	66,431	1,307	96,738	83,070	5,400	-	-	6,633
Excess (deficiency) of receipts over disbursements	-	(285)	3,774	1,960	2,118	345	-	-	-	(6,633)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(285)	3,774	1,960	2,118	345	-	-	-	(6,633)
Cash and investments - ending	\$ -	\$ (3,427)	\$ (5,038)	\$ -	\$ (5,987)	\$ (3,483)	\$ -	\$ -	\$ -	\$ 29,600

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	AHEC Grant - Biomed Costs	ECO 15 Grant Technology	Dream It Do It - DCF	Strategic Comp Training Grant	Walk to School Day	Local Tech Prep PLTW	Early College Program	Extra- Curricular Costs	AEP Grant Biomed Grant	Extra- Curricular Activities
Cash and investments - beginning	\$ 1,000	\$ -	\$ 1,807	\$ -	\$ -	\$ 416	\$ -	\$ -	\$ -	\$ 279
Receipts:										
Local sources	-	-	1,500	25,000	2,982	-	58,659	9,000	3,500	20,258
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,500	25,000	2,982	-	58,659	9,000	3,500	20,258
Disbursements:										
Current:										
Instruction	739	-	2,211	-	-	-	58,379	-	3,500	-
Support services	-	-	96	25,000	2,982	-	-	-	-	15,785
Noninstructional services	-	-	-	-	-	-	-	-	-	7,385
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	739	-	2,307	25,000	2,982	-	58,379	-	3,500	23,170
Excess (deficiency) of receipts over disbursements	(739)	-	(807)	-	-	-	280	9,000	-	(2,912)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(739)	-	(807)	-	-	-	280	9,000	-	(2,912)
Cash and investments - ending	\$ 261	\$ -	\$ 1,000	\$ -	\$ -	\$ 416	\$ 280	\$ 9,000	\$ -	\$ (2,633)

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Drivers Ed	Scholarships and Awards	Drug Free Communities	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Planning Grant	Gifted and Talented	Latchkey	Title I Part D 10/11
Cash and investments - beginning	\$ 17,316	\$ 101,826	\$ 28	\$ 849	\$ -	\$ 1,546	\$ -	\$ 22,899	\$ 9,822	\$ -
Receipts:										
Local sources	29,577	2,003	-	-	-	9,994	-	-	20,610	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	9,955	1,414	6,753	30,000	33,488	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	29,577	2,003	-	9,955	1,414	16,747	30,000	33,488	20,610	-
Disbursements:										
Current:										
Instruction	25,128	-	-	-	800	-	-	39,135	-	-
Support services	-	-	-	-	-	13,550	30,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	13,155	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,300	-	-	-	-	-	-	-	-
Total disbursements	25,128	1,300	-	-	800	13,550	30,000	39,135	13,155	-
Excess (deficiency) of receipts over disbursements	4,449	703	-	9,955	614	3,197	-	(5,647)	7,455	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(9,932)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(9,932)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,449	703	-	23	614	3,197	-	(5,647)	7,455	-
Cash and investments - ending	\$ 21,765	\$ 102,529	\$ 28	\$ 872	\$ 614	\$ 4,743	\$ -	\$ 17,252	\$ 17,277	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I Part D 11/12	Title I Part D 12/13	Title I 11/12	Title I 12/13	Title IV Part A Safe/Drug Free	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Title IIA 11/12	Imp Teach Qual Title IIA 11/12	Title IIA FY 12
Cash and investments - beginning	\$ (11,028)	\$ -	\$ (29,561)	\$ -	\$ -	\$ 13,605	\$ -	\$ (4,122)	\$ (12,781)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	20,179	23,319	56,299	276,664	242	21,073	-	5,437	55,861	2,246
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	20,179	23,319	56,299	276,664	242	21,073	-	5,437	55,861	2,246
Disbursements:										
Current:										
Instruction	4,586	24,729	26,738	292,037	-	-	-	-	13,802	-
Support services	4,565	4,845	-	1,625	242	4,719	-	1,315	31,913	2,246
Noninstructional services	-	-	-	25	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,151	29,574	26,738	293,687	242	4,719	-	1,315	45,715	2,246
Excess (deficiency) of receipts over disbursements	11,028	(6,255)	29,561	(17,023)	-	16,354	-	4,122	10,146	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	935	-	-	-	-
Transfers out	-	-	-	-	-	(552)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	383	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,028	(6,255)	29,561	(17,023)	-	16,737	-	4,122	10,146	-
Cash and investments - ending	\$ -	\$ (6,255)	\$ -	\$ (17,023)	\$ -	\$ 30,342	\$ -	\$ -	\$ (2,635)	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III, Language Instruction	Title III 12/13	Title I Grants to LEAs	Special Education Part B	Title I - Part D, Subpart 2	Education Jobs	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ (461)	\$ (2,844)	\$ -	\$ -	\$ -	\$ (373)	\$ (29,813)	\$ 12,769	\$ 333	\$ 7,018,647
Receipts:										
Local sources	-	8,920	-	-	-	-	-	-	1,119	7,314,469
Intermediate sources	-	-	-	-	-	-	-	-	-	15
State sources	-	-	-	-	-	-	-	-	-	12,290,100
Federal sources	-	-	-	-	-	1,466	162,375	-	-	1,096,839
Other	-	-	-	-	-	-	-	9,797,844	-	9,837,165
Total receipts	-	8,920	-	-	-	1,466	162,375	9,797,844	1,119	30,538,588
Disbursements:										
Current:										
Instruction	-	6,076	8,084	-	-	1,060	44,163	-	-	9,166,936
Support services	(461)	-	2,676	-	-	33	-	-	-	6,160,431
Noninstructional services	-	-	-	-	-	-	88,399	-	-	1,171,853
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	968,445
Debt services	-	-	-	-	-	-	-	-	-	1,677,000
Nonprogrammed charges	-	-	-	-	-	-	-	9,795,679	333	9,835,587
Total disbursements	(461)	6,076	10,760	-	-	1,093	132,562	9,795,679	333	28,980,252
Excess (deficiency) of receipts over disbursements	461	2,844	(10,760)	-	-	373	29,813	2,165	786	1,558,336
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	364
Transfers in	-	-	-	-	-	-	-	-	-	1,769,864
Transfers out	-	-	-	-	-	-	-	-	-	(1,769,864)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	364
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	461	2,844	(10,760)	-	-	373	29,813	2,165	786	1,558,700
Cash and investments - ending	\$ -	\$ -	\$ (10,760)	\$ -	\$ -	\$ -	\$ -	\$ 14,934	\$ 1,119	\$ 8,577,347

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LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities: Capital leases	Primary school construction and middle school renovation	<u>\$ 15,859,507</u>	<u>\$ 1,677,500</u>

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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
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Lawrenceburg Community 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, 2011 to June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-007. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 over compliance 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 items 2013-004, 2013-005, 2013-006, and 2013-007 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 7, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
FY12			12-1620	\$ 138,607	\$ -
FY13			13-1620	-	140,381
Total - School Breakfast Program				138,607	140,381
National School Lunch Program	Indiana Department of Education	10.555			
FY12			12-1620	384,013	-
FY13			13-1620	-	389,758
Total - National School Lunch Program				384,013	389,758
Total - Child Nutrition Cluster				522,620	530,139
Total - Department of Agriculture				522,620	530,139
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
FY12			12-1620	253,921	56,298
FY13			13-1620	-	276,664
FY12			Part D, 12-1620	59,482	20,179
FY13			Part D, 13-1620	-	23,320
Total - Title I Grants to Local Educational Agencies				313,403	376,461
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389			
FY10			10-1620	23,503	-
FY11			11-1620 Part D, Subpart 2	8,410	1,465
Total - ARRA Title I Grants to Local Educational Agencies, Recovery Act				31,913	1,465
Total - Title I, Part A Cluster				345,316	377,926
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
FY12			12-1620	302,330	-
FY13			13-1620	-	383,902
Total - Special Education - Grants to States				302,330	383,902
Special Education - Preschool Grants	Indiana Department of Education	84.173			
FY12			12-1620	58,330	-
FY13			13-1620	-	46,792
Total - Special Education - Preschool Grants				58,330	46,792

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA) (continued)					
ARRA - Special Education - Grants to States, Recovery Act FY11	Indiana Department of Education	84.391	11-1620	37,324	-
Total - Special Education Cluster (IDEA)				397,984	430,694
Educational Technology State Grants Cluster					
Educational Technology State Grants FY11	Indiana Department of Education	84.318	A58-0-10IT-061	93,586	-
Total - Educational Technology State Grants Cluster				93,586	-
Safe and Drug-Free Schools and Communities - State Grants FY09	Indiana Department of Education	84.186	09-1620	2,233	242
English Language Acquisition Grants FY12	Indiana Department of Education	84.365	01112-107-PN01	-	8,919
Improving Teacher Quality State Grants FY09	Indiana Department of Education	84.367	09-1620	8,105	-
FY10			10-1620	86,006	5,437
FY11			11-1620	22,377	55,861
FY12			12-1620	-	2,246
Total - Improving Teacher Quality State Grants				116,488	63,544
Education Jobs Fund FY12	Indiana Department of Education	84.410	12-1620	214,122	162,375
Total - Department of Education				1,169,729	1,043,700
Total federal awards expended				\$ 1,692,349	\$ 1,573,839

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

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

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2013
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 13,960	\$ 15,480
National School Lunch Program	10.555	38,676	42,980
Totals for cluster		<u>\$ 52,636</u>	<u>\$ 58,460</u>

LAWRENCEBURG COMMUNITY 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 to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Title I, Part A Cluster
	Special Education Cluster (IDEA)
84.410	Education Jobs Fund

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted expenditures for three Special Education grants totaling \$828,678 were not included on the School Corporation's SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section.310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards: The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts and payroll and related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FINDING 2013-003 - INTERNAL CONTROLS OVER APPROVAL OF PAYROLL DISBURSEMENTS

The School Corporation did not have a proper system of internal controls in place to ensure that all payroll disbursements were properly approved. The School Corporation's biweekly payroll, including the employee direct deposit report, net pay checks, and various payroll withholding remittances were not submitted to the School Board for approval. Also, the biweekly transfer of funds from the School Corporation's general bank account to the payroll bank account for the gross payroll was not approved by the School Board. Without a proper system of internal controls in place that operates effectively, improper monitoring of payroll expenditures could result in expenditures being paid for non-school related purposes.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

***FINDING 2013-004 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS
THAT HAVE A DIRECT AND MATERIAL EFFECT TO EDUCATION JOBS FUND***

Federal Agency: Department of Education
Federal Program: Education Jobs Fund
CFDA Number: 84.410
Federal Award Number and Year: 12-1620
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities, Allowable Costs, Cash Management, Period of Availability, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Allowable Activities and Allowable Costs

The School Corporation has not designed or implemented adequate policies or procedures for monitoring Allowable Activities/Allowable Costs. There is no evidence presented that a review of payroll expenditures was being performed by someone prior to the payroll payments other than the person preparing the payroll payments. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Allowable Activities and Allowable Cost requirements.

Cash Management and Period of Availability

The School Corporation has not designed or implemented policies and procedures for the submission of reimbursement requests. There is no evidence presented that a review was performed by someone prior to submission other than the preparer of the reimbursement requests. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Cash Management and Period of Availability requirements.

Reporting

The School Corporation has not designed or implemented procedures for preparing and submitting reports. There was no evidence presented that a review of the reports prior to submission was being made by someone other than the person preparing the reports. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Reporting requirements.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

FINDING 2013-005 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES AND ARRA TITLE I GRANTS TO LOCAL EDUCATION AGENCIES, RECOVERY ACT

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies,

ARRA Title I Grants to Local Educational Agencies, Recovery Act

CFDA Number: 84.010, 84.389

Federal Award Number and Year: 12-1620; 13-1620; Part D, 12-1620; Part D, 13-1620;
10-1620; 11-1620 Part D, Subpart 2

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities; Allowable Costs; Cash Management; Matching, Level of Effort, and Earmarking; Period of Availability; Reporting; and Special Tests and Provisions. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Allowable Activities and Allowable Costs

The School Corporation has not designed or implemented adequate policies or procedures for the proper segregation of duties over payroll. There is no evidence presented that a review of payroll expenditures was being performed by someone prior to the payments other than the person preparing the payroll. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Allowable Activities and Allowable Cost requirements.

Cash Management and Period of Availability

The School Corporation has not designed or implemented policies and procedures for the submission of reimbursement requests. There is no evidence presented that a review was performed by someone prior to submission other than the preparer of the reimbursement requests. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Cash Management and Period of Availability requirements.

Matching, Level of Effort, and Earmarking

The School Corporation has not designed or implemented procedures for monitoring compliance for Level of Effort and Earmarking. There is no evidence presented that someone at the School Corporation was monitoring these requirements. The Treasurer and Title I Director were not aware of the Level of Effort requirement. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Level of Effort and Earmarking requirements.

Reporting

The School Corporation has not designed or implemented procedures for preparing and submitting reports. There was no evidence presented that a review of the reports prior to submission was being made by someone other than the person preparing the reports. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with Reporting requirements.

Special Tests and Provisions - ARRA

The School Corporation did not have controls in place to ensure that Title I ARRA funds were properly identified on the Schedule of Expenditures of Federal Awards (SEFA) as required under the Special Test and Provisions compliance requirement. There was no evidence presented that a review of the SEFA prior to submission was being made by someone other than the person preparing the SEFA. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with the Special Tests and Provisions requirements for ARRA funds.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

FINDING 2013-006 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO SPECIAL EDUCATION - GRANTS TO STATES, SPECIAL EDUCATION-PRESCHOOL GRANTS AND ARRA SPECIAL EDUCATION - GRANTS TO STATES, RECOVERY ACT

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States; Special Education - Preschool Grants;
ARRA Special Education - Grants to States, Recovery Act

CFDA Number: 84.027, 84.173, 84.391

Federal Award Number and Year: 12-1620, 13-1620, 12-1620, 13-1620, 11-1620

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities; Allowable Costs; Cash Management; Matching, Level of Effort, and Earmarking; Period of Availability; Reporting; and Special Tests and Provisions. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Allowable Activities; Allowable Costs; Cash Management; Matching, Level of Effort, and Earmarking; Period of Availability; and Reporting

The School Corporation designated a fiscal agent to receive and manage their grant fund allocations; however, the School Corporation did not establish an internal control system, including segregation of duties that would provide adequate oversight procedures of the fiscal agent to ensure compliance with these requirements.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Special Tests and Provisions - ARRA

The School Corporation did not have controls in place to ensure that ARRA Special Education funds were accounted for separately or listed on the Schedule of Expenditures of Federal Awards (SEFA) as required under the Special Test and Provisions compliance requirement. There was no evidence presented that a review of the SEFA prior to submission was being made by someone other than the person preparing the SEFA. The School Corporation has not implemented adequate review procedures to ensure that the School Corporation is in compliance with the Special Tests and Provisions requirements for ARRA funds.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 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."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

FINDING 2013-007 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education

Federal Program: ARRA Special Education - Grants to States, Recovery Act

CFDA Number: 84.391

Federal Award Number and Year: 11-1620

Pass-Through Entity: Indiana Department of Education

The School Corporation received American Reinvestment and Recovery Act (ARRA) awards through the Special Education - Grants to States, Recovery Act program. One of the requirements for ARRA funding requires the accounting records provide for the separate identification of and accounting for ARRA awards and activity. The School Corporation did maintain a separate fund for the ARRA awards, but did not record all of the ARRA receipts and expenditures in the correct fund. Some of the ARRA awards were commingled with other School Corporation receipts and expenditures.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

34 CFR 80.20(b) (2) states in part:

"Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant for subgrant awards and authorizations . . ."

2 CFR 176.210(b) states in part:

". . . recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) . . ."

The School Corporation did not have controls in place to reduce the risks of noncompliance with special tests and provisions.

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended the School Corporation's management establish controls, including segregation of duties, related to all compliance requirements that have a direct and material effect to the program.

LAWRENCEBURG COMMUNITY SCHOOLS

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FINDING 2013-001 – Internal Controls Over the Preparation of the Schedule of Expenditures of Federal Award

Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

We assume the inclusion of the three Special Education grants in the Schedule of Expenditures of Federal Awards (SEFA) is a new requirement, as we've not included those grants in prior reports and have not had a finding. Whether this is the result of the change in the organizational relationship between the Ripley-Ohio-Dearborn Special Education Cooperative and its participating schools or a change in the audit program, we can report those grants on the SEFA. We believe this is a clarification of reporting requirements rather than a lack of internal controls. In the future, these special education grants will be included in all subsequent SEFA reports. Completion Date: 2013 – 2015 Audit

FINDING 2013-002 – Internal Controls Over Financial Transactions and Reporting

Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

Beginning April 1, 2014, any cash or checks received in the Administration Office by any method will be recorded on a Receipt (Form 517) by the Executive Secretary. Cash/checks will then be given to the appropriate employee, whether that be the Business Manager/Treasurer or Deputy Treasurer. The Business Manager/Treasurer or Deputy Treasurer will record the proper deposit account number on the Form 517 and prepare a deposit slip for deposit into the proper bank account. The Form 517 serves as the official record of receipt and is used to balance the monthly bank statements. We will continue to have each bank statement reconciled by an employee who does not typically prepare the deposits for that bank account. The Executive Secretary will continue to receive the original bank statements and sign them to ensure there are no changes made on the statement itself. We plan to discontinue logging cash and checks. Completion Date: April 1, 2014

We believe internal controls over purchase orders and claims are effective, as claims are reviewed each month before Board approval by the Business Manager/Treasurer, who does not prepare the purchase orders or claims.

FINDING 2013-003 – Internal Controls Over Approval of Payroll Disbursements

Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

Effective at the April 14, 2014 board meeting, we will include the Payroll Claim Listing from Komputrol, along with the Allowance of Claims statement to be signed by board members. All payroll claims between the previous board meeting and the current board meeting will be included. Approval will be after the fact since our Board meets only once per month and we're paid at least twice per month. The actual claim form for payroll amounts will be created by the Business Manager/Treasurer, not by the Deputy Treasurer responsible for payroll. The Business Manager will also review the Payroll Check Register before checks are issued each pay period. Completion Date: April 14, 2014

FINDING 2013-004 – Internal Controls Over Compliance Requirements That Have a Direct and Material Effect to Education Jobs Fund

Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

The Education Jobs Fund was only available for a short period of time, and that period has passed, so any corrective action for this particular fund is moot. During that timeframe, the Business Manager directed the payroll secretary as to whom should be charged to that fund based on guidance from the Indiana Department of Education. However, we will establish for all our grant programs a system whereby the Superintendent or his designee (the grant writer) review the detailed activity in each grant fund and sign off to the effect that the costs and activities are allowable according to the terms of the grant. The Business Manager/Treasurer currently issues a monthly summary of costs incurred in all ongoing grant programs, both state and federal, which is sent to the Superintendent of the school corporation, the grant writer, and the grant administrators. While we don't require the various involved parties to sign the report, it does give them an opportunity to review the costs being charged to the program to ensure they were anticipated according to the grant agreement. This monthly review does provide some internal control over the grant expenditures. Completion Date: March 31, 2014

FINDING 2013-005 – Internal Controls Over Compliance Requirements That Have a Direct and Material Effect to Title I Grants to Local Educational Agencies and ARRA Title I Grants to Local Educational Agencies, Recovery Act

Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

Lawrenceburg Community School Corporation very carefully budgets Title I grant funds to get the most service we can from the limited amount of money we get. Employees are assigned to perform Title I services as their job; job duties do not change from day to day. Therefore, once the budget is complete, we know which employees should be charging their time to Title I accounts, so we know what the allowable costs should be each month. Reports are provided every month to Title I administrators and our Title I grant writer to review for reasonableness based on our budget, developed in compliance with Title I requirements. Since Title I grant reimbursement requests are submitted on line, it's difficult to demonstrate review and approval by someone other than the Business Manager BEFORE submittal, but we will establish a written procedure to implement these review procedures. We are also aware of Maintenance of Effort and Set-aside requirements for Title I; we have been lax in calculating the maintenance of effort, but we are aware of and comply with set-aside requirements.

We will establish for all our grant programs a system whereby the Superintendent or his designee (the grant writer) review the detailed activity in each grant fund and sign off to the effect that the costs and activities are allowable according to the terms of the grant. The Business Manager/Treasurer currently issues a monthly summary of costs incurred in all ongoing grant programs, both state and federal, which is sent to the Superintendent of the school corporation, the grant writer, and the grant administrators. While we don't require the various involved parties to sign the report, it does give them an opportunity to review the costs being charged to the program to ensure they were anticipated according to the grant agreement. This monthly review does provide some internal control over the grant expenditures. In addition, the grant writers and/or administrators are generally the ones who submit claims or write purchase requisitions against the grant, according to the terms of the grant agreement. Completion Date: March 31, 2014

FINDING 2013-006 – Internal Controls Over Compliance Requirements That Have a Direct and Material Effect to Special Education-Grants to States, Special Education-Preschool Grants and ARRA Special Education-Grants to States, Recovery Act

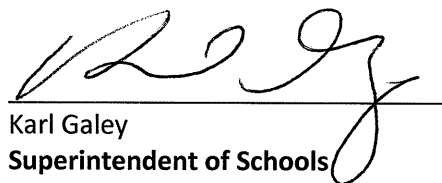
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

We believe there are a number of internal controls in place for Special Education grants, even though we do agree there should be grant agreements. Typically, only labor and benefits are charged to these special education grants. Before the school year starts, the Director of the Ripley-Ohio-Dearborn Special Education Cooperative (ROD) issues a memo to our Superintendent identifying which employee positions will be funded with funds passing through ROD. A list of those specific employees by name is also developed so that we know exactly what labor and benefits costs will be funded. At the end of each month, a detailed invoice is prepared by employee name and category of cost, also separated by federal and local funding. There are other employees who are charged to special education accounts, but our approval memo and employee list dictate which ones can be billed to ROD. The invoice is reviewed by ROD financial personnel to ensure the correct employees are billed before the invoice is paid. Additionally, our Superintendent receives a copy of the monthly invoice for review. This process implements a number of internal controls: The ROD Director determines allowable activities, or what activities she will pay for; the LCSC Business Manager/Treasurer reviews payroll records to determine the correct amounts to be billed to ROD; ROD financial personnel review the invoice to determine the right employees are being billed and the amounts are reasonable and within the grant amounts; the LCSC Superintendent reviews the monthly invoice to ensure the right employees are included on the invoice. Completion Date: To Be Determined by Ripley-Ohio-Dearborn Special Education Cooperative regarding issuance of grant agreements

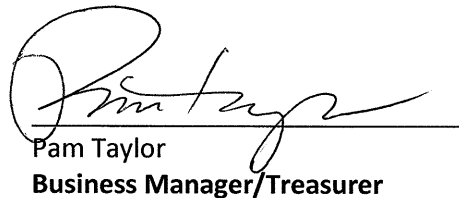
FINDING 2013-007 – Special Tests and Provisions

Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7200

Our grant agreement for Part B, IDEA Stimulus funds (Fund 7953) was for \$105,956.09, including salary and benefits for one math teacher for two years. Those are the costs we charged to the 7953 stimulus fund since those were the activities identified in the grant agreement. Evidently, ROD had additional stimulus funds they used to reimburse us for other teacher costs; we were not aware those needed to be charged to the 7953 stimulus fund since they were not included in our grant agreement. This is similar to the non-stimulus federal funds ROD currently passes through to us. In any case, we kept separate those expenditures we were aware were required to be separate. Should such funds become available in the future, we will get more clarification from ROD and IDOE as to whether those funds should be accounted for separately. Completion Date: March 31, 2014


Karl Galey
Superintendent of Schools

Date: 5-6-14


Pam Taylor
Business Manager/Treasurer

Date: 5/6/14

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 7, 2014, with Karl Galey, Superintendent of Schools; Pam Taylor, Treasurer; and Kevin Mollaun, Vice President of the School Board.