

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LAKE CENTRAL SCHOOL CORPORATION  
LAKE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
06/26/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cathie Romba	07-01-14 to 12-31-17
Director of Business Services	Robert James	07-01-14 to 12-31-17
Superintendent of Schools	Dr. Lawrence Veracco	07-01-14 to 06-30-17
President of the School Board	George Baranowski Don Bacso John DeVries Janice Malchow	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Lake Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

***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 from 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 to 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, 2014 to June 30, 2016.

***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, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*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.


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 3, 2017, 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.

  
Paul D. Joyce, CPA  
State Examiner

May 3, 2017



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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 LAKE CENTRAL SCHOOL CORPORATION, LAKE 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 Lake Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated May 3, 2017, 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 a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation'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 item 2016-001 to be a material weakness.

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Lake Central 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 3, 2017

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

LAKE CENTRAL SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2015 and 2016

Funds	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 3,894,096	\$ 54,293,816	\$ 53,027,578	\$ 259,971	\$ 5,420,305	\$ 56,264,111	\$ 55,823,758	\$ 150,840	\$ 6,011,498
Debt Service	2,225,080	2,792,408	2,882,442	-	2,135,046	2,919,875	3,261,760	77,530	1,870,691
Exempt Debt	6,054,394	7,985,396	9,126,000	-	4,913,790	6,769,910	8,647,000	-	3,036,700
Exempt Pension Debt	1,396,924	1,836,277	1,974,076	-	1,259,125	1,497,595	1,913,807	-	842,913
Referendum Debt Exempt Capital	9,414,990	12,342,955	12,853,000	-	8,904,945	12,347,073	17,698,000	-	3,554,018
Capital Projects	3,697,666	10,945,286	11,813,086	10,359	2,840,225	12,339,489	11,687,885	516	3,492,345
School Transportation	3,593,383	7,291,670	7,810,651	-	3,074,402	7,269,084	7,025,468	5,415	3,323,433
School Bus Replacement	1,263,542	836,452	629,484	(550,000)	920,510	614,334	739,130	-	795,714
Rainy Day	800,000	-	-	550,000	1,350,000	-	-	-	1,350,000
Retirement/Severance Bond	1,186,721	-	509,278	-	677,443	-	201,792	-	475,651
Post-Retirement/Severance Future Benefits	543,883	-	513,454	456,334	486,763	-	596,195	518,952	409,520
2016 G.O. Bond	-	-	-	-	-	-	381,854	3,785,000	3,403,146
LCHS Construction	10,815,381	164,375	8,438,381	-	2,541,375	596,454	3,111,622	-	26,207
2014 G.O. Bond	1,589,012	-	1,476,801	-	112,211	-	112,211	-	-
School Lunch	994,689	3,337,938	3,481,346	-	851,281	3,392,010	3,706,235	-	537,056
Textbook Rental	172,257	1,901,483	1,547,221	(658,199)	(131,680)	1,841,437	1,648,449	(584,472)	(523,164)
Self-Insurance	7,491,803	9,714,475	8,858,771	-	8,347,507	10,151,294	9,837,421	-	8,661,380
Levy Excess	-	-	-	-	-	5,415	-	(5,415)	-
West Lake Special Education Cooperative	292,324	11,484,500	11,574,290	(58,106)	144,428	11,779,277	12,033,998	(85,320)	(195,613)
School Library Grant	2,493	-	1,569	-	924	-	924	-	-
Kolling Nature Trail	1,000	-	-	-	1,000	-	-	-	1,000
Facility Rental	-	57,116	1,692	-	55,424	61,447	7,240	-	109,631
Aquatics Center	29,659	54,904	13,212	-	71,351	104,843	94,600	-	81,594
Masters Association	-	4,819	3,546	-	1,273	7,776	8,679	-	370
Brick Pavers	-	71,075	2,177	-	68,898	7,900	76,605	-	193
War Memorial	-	-	-	-	-	7,320	-	-	7,320
LCHS Auditorium	-	-	-	-	-	6,470	5,397	-	1,073
United Way	707	4,835	-	-	5,542	5,605	-	-	11,147
Wellness Grant	346	-	310	-	36	-	36	-	-
SEED United Way	-	-	-	-	-	52,669	-	-	52,669
Kids on the Block	786	-	-	-	786	-	-	-	786
High Ability 2014 / 2015	-	76,454	64,821	-	11,633	-	11,633	-	-
High Ability 2015 / 2016	-	-	-	-	-	74,993	59,260	-	15,733
Making A Difference Grant 2014 / 2015	-	-	6,300	-	(6,300)	10,500	4,200	-	-
938,850 CSF 5/16	-	-	-	-	-	-	167,248	-	(167,248)
906,600 CSF 9/13	(113,704)	906,600	792,896	-	-	-	-	-	-
895,500 CSF 6/14	-	895,500	895,500	-	-	-	-	-	-

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

LAKE CENTRAL SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2015 and 2016  
(Continued)

Funds	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
924,400 CSF 11/14	-	-	924,400	-	(924,400)	924,400	-	-	-
918,350 CSF 5/15	-	-	67,391	-	(67,391)	918,350	850,959	-	-
918,350 CSF 11/15	-	-	-	-	-	-	500,305	-	(500,305)
Medicaid Reimbursement - State	521	17,521	15,086	-	2,956	6,059	8,961	-	54
NESP 2013 / 2014	12,782	-	12,782	-	-	-	-	-	-
NESP 2014 / 2015	-	23,613	15,623	-	7,990	-	7,990	-	-
NESP 2015 / 2016	-	-	-	-	-	39,920	37,120	-	2,800
Connectivity Grant 2015 / 2016	-	-	-	-	-	13,044	13,044	-	-
USF Technology Refund	94,834	159,081	29,491	-	224,424	94,124	106,683	-	211,865
Performance Awards Grant 2014 / 2015	-	415,557	415,557	-	-	-	-	-	-
Performance Awards Grant 2015 / 2016	-	-	-	-	-	354,155	354,155	-	-
Secured Safety Grant Program	-	39,464	39,464	-	-	-	-	-	-
Title I 2013 / 2014	(101,582)	187,433	85,851	-	-	-	-	-	-
Title I 2014 / 2015	-	718,324	773,941	-	(55,617)	93,824	38,207	-	-
Title I 2015 / 2016	-	-	-	-	-	670,665	722,083	-	(51,418)
Title I, Part D 2013 / 2014	(5,429)	18,677	13,248	-	-	-	-	-	-
Title I, Part D 2014 / 2015	-	26,551	34,224	-	(7,673)	21,694	14,021	-	-
IDEA, Part B 2012 / 2014	-	633	633	-	-	-	-	-	-
IDEA, Part B 2013 / 2015	(205,562)	1,402,860	1,197,298	-	-	-	-	-	-
IDEA, Part B 2014 / 2016	-	1,388,554	1,614,561	-	(226,007)	1,453,419	1,227,412	-	-
IDEA, Part B 2015 / 2017	-	-	-	-	-	1,464,805	1,677,259	-	(212,454)
Federal Preschool 2013 / 2015	(4,573)	39,337	34,764	-	-	-	-	-	-
Federal Preschool 2014 / 2016	-	38,797	44,342	-	(5,545)	63,386	57,841	-	-
Federal Preschool 2015 / 2017	-	-	-	-	-	27,790	33,820	-	(6,030)
IDEA, Part B TA Grant 2013 / 2015	(3,299)	32,485	29,186	-	-	1,378	1,378	-	-
Medicaid Reimbursement - Federal	62,176	35,000	6,271	-	90,905	24,389	13,093	-	102,201
Title II, Part A 2012 / 2014	(1,873)	42,144	40,271	-	-	-	-	-	-
Title II, Part A 2013 / 2015	(684)	103,030	105,775	-	(3,429)	13,098	9,669	-	-
Title II, Part A 2014 / 2016	-	13,562	28,484	-	(14,922)	102,091	103,609	-	(16,440)
Title II, Part A 2015 / 2017	-	-	-	-	-	9,426	20,923	-	(11,497)
Title III 2013 / 2015	(3,245)	13,168	9,923	-	-	-	-	-	-
Title III 2014 / 2016	-	35,165	38,219	-	(3,054)	10,287	7,233	-	-
Title III 2015 / 2017	-	-	-	-	-	25,214	27,013	-	(1,799)
Payroll Clearing Fund	98,577	13,528,450	13,529,020	-	98,007	13,921,642	13,951,775	-	67,874
Prepaid Food	-	-	-	-	-	143,587	68,708	-	74,879
Totals	<u>\$ 55,290,075</u>	<u>\$ 145,277,740</u>	<u>\$ 157,403,687</u>	<u>\$ 10,359</u>	<u>\$ 43,174,487</u>	<u>\$ 148,523,628</u>	<u>\$ 158,715,668</u>	<u>\$ 3,863,046</u>	<u>\$ 36,845,493</u>

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

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

School Corporation, as used herein, shall include, but is not limited to, the following: 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.* Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

*Intermediate sources.* Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*State sources.* Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Federal sources.* Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: 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.* Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

*Support services.* Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

*Noninstructional services.* Amounts disbursed for food service operations and community service operations.

*Facilities acquisition and construction.* Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

*Debt services.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

*Nonprogrammed charges.* Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

*F. Other Financing Sources and Uses*

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

*Proceeds of long-term debt.* Amounts received in relation to the issuance of bonds or other long-term debt issues.

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Sale of capital assets.* Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

*Transfers in.* Amounts 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.* Amounts 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 amounts 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 amounts 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.

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: 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 a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of some funds being required to be set up as reimbursable grants or loans. The Textbook Rental fund had a growing cash deficit due to an increasing amount of delinquent textbook rental payments. The West Lake Special Education Cooperative fund had a deficit cash balance at June 30, 2016, due to the timing of payroll. The fund was back to a positive cash balance by August and maintained a positive balance through the rest of calendar year 2016.

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The School Corporation entered into capital leases with the Lake Central Multi-District School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2015 and 2016, totaled \$15,881,400 and \$21,507,400, respectively.

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## OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports 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 other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 3,894,096	\$ 2,225,080	\$ 6,054,394	\$ 1,396,924	\$ 9,414,990	\$ 3,697,666	\$ 3,593,383	\$ 1,263,542
Receipts:								
Local sources	494,070	2,492,408	6,485,396	1,356,277	8,782,955	7,105,286	4,911,670	536,452
Intermediate sources	237,327	-	-	-	-	-	-	-
State sources	53,562,419	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	300,000	1,500,000	480,000	3,560,000	3,840,000	2,380,000	300,000
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>54,293,816</u>	<u>2,792,408</u>	<u>7,985,396</u>	<u>1,836,277</u>	<u>12,342,955</u>	<u>10,945,286</u>	<u>7,291,670</u>	<u>836,452</u>
Disbursements:								
Instruction	38,027,232	-	-	-	-	24,500	500,004	-
Support services	13,780,393	-	-	-	-	4,721,190	4,690,647	297,484
Noninstructional services	1,219,953	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	3,267,396	-	-
Debt services	-	2,882,442	9,126,000	1,974,076	12,853,000	3,800,000	2,620,000	332,000
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>53,027,578</u>	<u>2,882,442</u>	<u>9,126,000</u>	<u>1,974,076</u>	<u>12,853,000</u>	<u>11,813,086</u>	<u>7,810,651</u>	<u>629,484</u>
Excess (deficiency) of receipts over disbursements	<u>1,266,238</u>	<u>(90,034)</u>	<u>(1,140,604)</u>	<u>(137,799)</u>	<u>(510,045)</u>	<u>(867,800)</u>	<u>(518,981)</u>	<u>206,968</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	10,359	-	-
Transfers in	716,305	-	-	-	-	-	-	-
Transfers out	(456,334)	-	-	-	-	-	-	(550,000)
Total other financing sources (uses)	<u>259,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,359</u>	<u>-</u>	<u>(550,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,526,209</u>	<u>(90,034)</u>	<u>(1,140,604)</u>	<u>(137,799)</u>	<u>(510,045)</u>	<u>(857,441)</u>	<u>(518,981)</u>	<u>(343,032)</u>
Cash and investments - ending	<u>\$ 5,420,305</u>	<u>\$ 2,135,046</u>	<u>\$ 4,913,790</u>	<u>\$ 1,259,125</u>	<u>\$ 8,904,945</u>	<u>\$ 2,840,225</u>	<u>\$ 3,074,402</u>	<u>\$ 920,510</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	2016 G.O. Bond	LCHS Construction	2014 G.O. Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 800,000	\$ 1,186,721	\$ 543,883	\$ -	\$ 10,815,381	\$ 1,589,012	\$ 994,689	\$ 172,257
Receipts:								
Local sources	-	-	-	-	164,375	-	2,245,966	1,581,855
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	66,079	319,628
Federal sources	-	-	-	-	-	-	1,025,893	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	164,375	-	3,337,938	1,901,483
Disbursements:								
Instruction	-	509,278	513,454	-	-	-	3,373	25,140
Support services	-	-	-	-	-	91,539	6,456	1,522,081
Noninstructional services	-	-	-	-	-	-	3,471,517	-
Facilities acquisition and construction	-	-	-	-	8,438,381	1,385,262	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	509,278	513,454	-	8,438,381	1,476,801	3,481,346	1,547,221
Excess (deficiency) of receipts over disbursements	-	(509,278)	(513,454)	-	(8,274,006)	(1,476,801)	(143,408)	354,262
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	550,000	-	456,334	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(658,199)
Total other financing sources (uses)	550,000	-	456,334	-	-	-	-	(658,199)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	550,000	(509,278)	(57,120)	-	(8,274,006)	(1,476,801)	(143,408)	(303,937)
Cash and investments - ending	\$ 1,350,000	\$ 677,443	\$ 486,763	\$ -	\$ 2,541,375	\$ 112,211	\$ 851,281	\$ (131,680)

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Self- Insurance	Levy Excess	West Lake Special Education Cooperative	School Library Grant	Kolling Nature Trail	Facility Rental	Aquatics Center	Masters Association
Cash and investments - beginning	\$ 7,491,803	\$ -	\$ 292,324	\$ 2,493	\$ 1,000	\$ -	\$ 29,659	\$ -
Receipts:								
Local sources	9,714,475	-	11,481,478	-	-	57,116	54,904	4,819
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	3,022	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>9,714,475</u>	<u>-</u>	<u>11,484,500</u>	<u>-</u>	<u>-</u>	<u>57,116</u>	<u>54,904</u>	<u>4,819</u>
Disbursements:								
Instruction	15,384	-	8,561,419	-	-	400	600	300
Support services	-	-	2,940,789	1,569	-	1,292	-	1
Noninstructional services	-	-	-	-	-	-	12,612	3,245
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	8,843,387	-	72,082	-	-	-	-	-
Total disbursements	<u>8,858,771</u>	<u>-</u>	<u>11,574,290</u>	<u>1,569</u>	<u>-</u>	<u>1,692</u>	<u>13,212</u>	<u>3,546</u>
Excess (deficiency) of receipts over disbursements	<u>855,704</u>	<u>-</u>	<u>(89,790)</u>	<u>(1,569)</u>	<u>-</u>	<u>55,424</u>	<u>41,692</u>	<u>1,273</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(58,106)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(58,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>855,704</u>	<u>-</u>	<u>(147,896)</u>	<u>(1,569)</u>	<u>-</u>	<u>55,424</u>	<u>41,692</u>	<u>1,273</u>
Cash and investments - ending	<u>\$ 8,347,507</u>	<u>\$ -</u>	<u>\$ 144,428</u>	<u>\$ 924</u>	<u>\$ 1,000</u>	<u>\$ 55,424</u>	<u>\$ 71,351</u>	<u>\$ 1,273</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Brick Pavers	War Memorial	LCHS Auditorium	United Way	Wellness Grant	SEED United Way	Kids On The Block
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 707	\$ 346	\$ -	\$ 786
Receipts:							
Local sources	71,075	-	-	4,835	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>71,075</u>	<u>-</u>	<u>-</u>	<u>4,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	310	-	-
Support services	2,177	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>2,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>68,898</u>	<u>-</u>	<u>-</u>	<u>4,835</u>	<u>(310)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>68,898</u>	<u>-</u>	<u>-</u>	<u>4,835</u>	<u>(310)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 68,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,542</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 786</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	High Ability 2014 / 2015	High Ability 2015 / 2016	Making A Difference Grant 2014 / 2015	938,850 CSF 5/16	906,600 CSF 9/13	895,500 CSF 6/14	924,400 CSF 11/14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (113,704)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	76,454	-	-	-	906,600	895,500	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>76,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906,600</u>	<u>895,500</u>	<u>-</u>
Disbursements:							
Instruction	63,413	-	6,300	-	22,825	806	53,408
Support services	1,408	-	-	-	770,071	894,694	865,093
Noninstructional services	-	-	-	-	-	-	5,899
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>64,821</u>	<u>-</u>	<u>6,300</u>	<u>-</u>	<u>792,896</u>	<u>895,500</u>	<u>924,400</u>
Excess (deficiency) of receipts over disbursements	<u>11,633</u>	<u>-</u>	<u>(6,300)</u>	<u>-</u>	<u>113,704</u>	<u>-</u>	<u>(924,400)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>11,633</u>	<u>-</u>	<u>(6,300)</u>	<u>-</u>	<u>113,704</u>	<u>-</u>	<u>(924,400)</u>
Cash and investments - ending	<u>\$ 11,633</u>	<u>\$ -</u>	<u>\$ (6,300)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (924,400)</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	918,350 CSF 5/15	918,350 CSF 11/15	Medicaid Reimbursement - State	NESP 2013 / 2014	NESP 2014 / 2015	NESP 2015 / 2016	Connectivity Grant 2015 / 2016
Cash and investments - beginning	\$ -	\$ -	\$ 521	\$ 12,782	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	17,521	-	23,613	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	17,521	-	23,613	-	-
Disbursements:							
Instruction	6,119	-	15,086	12,782	15,623	-	-
Support services	61,272	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	67,391	-	15,086	12,782	15,623	-	-
Excess (deficiency) of receipts over disbursements	(67,391)	-	2,435	(12,782)	7,990	-	-
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	(67,391)	-	2,435	(12,782)	7,990	-	-
Cash and investments - ending	\$ (67,391)	\$ -	\$ 2,956	\$ -	\$ 7,990	\$ -	\$ -

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	USF Technology Refund	Performance Awards Grant 2014 / 2015	Performance Awards Grant 2015 / 2016	Secured Safety Grant Program	Title I 2013 / 2014	Title I 2014 / 2015	Title I 2015 / 2016
Cash and investments - beginning	\$ 94,834	\$ -	\$ -	\$ -	\$ (101,582)	\$ -	\$ -
Receipts:							
Local sources	24,868	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	134,213	415,557	-	39,464	-	-	-
Federal sources	-	-	-	-	187,433	718,324	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>159,081</u>	<u>415,557</u>	<u>-</u>	<u>39,464</u>	<u>187,433</u>	<u>718,324</u>	<u>-</u>
Disbursements:							
Instruction	2,880	366,453	-	-	81,928	760,200	-
Support services	26,611	47,470	-	-	3,923	13,018	-
Noninstructional services	-	1,634	-	-	-	723	-
Facilities acquisition and construction	-	-	-	39,464	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>29,491</u>	<u>415,557</u>	<u>-</u>	<u>39,464</u>	<u>85,851</u>	<u>773,941</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>129,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,582</u>	<u>(55,617)</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>129,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,582</u>	<u>(55,617)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 224,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,617)</u>	<u>\$ -</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Title I, Part D 2013 / 2014	Title I, Part D 2014 / 2015	IDEA, Part B 2012 / 2014	IDEA, Part B 2013 / 2015	IDEA, Part B 2014 / 2016	IDEA, Part B 2015 / 2017	Federal Preschool 2013 / 2015
Cash and investments - beginning	\$ (5,429)	\$ -	\$ -	\$ (205,562)	\$ -	\$ -	\$ (4,573)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	18,677	26,551	633	1,402,860	1,388,554	-	39,337
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	18,677	26,551	633	1,402,860	1,388,554	-	39,337
Disbursements:							
Instruction	13,248	28,755	-	745,205	1,016,156	-	20,453
Support services	-	5,469	633	452,093	598,405	-	14,311
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	13,248	34,224	633	1,197,298	1,614,561	-	34,764
Excess (deficiency) of receipts over disbursements	5,429	(7,673)	-	205,562	(226,007)	-	4,573
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	5,429	(7,673)	-	205,562	(226,007)	-	4,573
Cash and investments - ending	\$ -	\$ (7,673)	\$ -	\$ -	\$ (226,007)	\$ -	\$ -

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Federal Preschool 2014 / 2016	Federal Preschool 2015 / 2017	IDEA, Part B TA Grant 2013 / 2015	Medicaid Reimbursement - Federal	Title II, Part A 2012 / 2014	Title II, Part A 2013 / 2015	Title II, Part A 2014 / 2016
Cash and investments - beginning	\$ -	\$ -	\$ (3,299)	\$ 62,176	\$ (1,873)	\$ (684)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	32,485	-	-	-	-
Federal sources	38,797	-	-	35,000	42,144	103,030	13,562
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>38,797</u>	<u>-</u>	<u>32,485</u>	<u>35,000</u>	<u>42,144</u>	<u>103,030</u>	<u>13,562</u>
Disbursements:							
Instruction	29,181	-	764	6,271	32,104	60,583	9,048
Support services	15,161	-	28,422	-	8,167	45,192	19,436
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>44,342</u>	<u>-</u>	<u>29,186</u>	<u>6,271</u>	<u>40,271</u>	<u>105,775</u>	<u>28,484</u>
Excess (deficiency) of receipts over disbursements	<u>(5,545)</u>	<u>-</u>	<u>3,299</u>	<u>28,729</u>	<u>1,873</u>	<u>(2,745)</u>	<u>(14,922)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,545)</u>	<u>-</u>	<u>3,299</u>	<u>28,729</u>	<u>1,873</u>	<u>(2,745)</u>	<u>(14,922)</u>
Cash and investments - ending	<u>\$ (5,545)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,905</u>	<u>\$ -</u>	<u>\$ (3,429)</u>	<u>\$ (14,922)</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Title II, Part A 2015 / 2017	Title III 2013 / 2015	Title III 2014 / 2016	Title III 2015 / 2017	Payroll Clearing Fund	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ (3,245)	\$ -	\$ -	\$ 98,577	\$ -	\$ 55,290,075
Receipts:							
Local sources	-	-	-	-	-	-	57,570,280
Intermediate sources	-	-	-	-	-	-	237,327
State sources	-	-	-	-	-	-	56,492,555
Federal sources	-	13,168	35,165	-	-	-	5,089,128
Temporary loans	-	-	-	-	-	-	12,360,000
Other receipts	-	-	-	-	13,528,450	-	13,528,450
Total receipts	-	13,168	35,165	-	13,528,450	-	145,277,740
Disbursements:							
Instruction	-	9,775	34,916	-	-	-	51,595,676
Support services	-	148	3,303	-	-	-	31,929,918
Noninstructional services	-	-	-	-	-	-	4,715,583
Facilities acquisition and construction	-	-	-	-	-	-	13,130,503
Debt services	-	-	-	-	-	-	33,587,518
Nonprogrammed charges	-	-	-	-	13,529,020	-	22,444,489
Total disbursements	-	9,923	38,219	-	13,529,020	-	157,403,687
Excess (deficiency) of receipts over disbursements	-	3,245	(3,054)	-	(570)	-	(12,125,947)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	10,359
Transfers in	-	-	-	-	-	-	1,722,639
Transfers out	-	-	-	-	-	-	(1,722,639)
Total other financing sources (uses)	-	-	-	-	-	-	10,359
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,245	(3,054)	-	(570)	-	(12,115,588)
Cash and investments - ending	\$ -	\$ -	\$ (3,054)	\$ -	\$ 98,007	\$ -	\$ 43,174,487

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 5,420,305	\$ 2,135,046	\$ 4,913,790	\$ 1,259,125	\$ 8,904,945	\$ 2,840,225	\$ 3,074,402	\$ 920,510
Receipts:								
Local sources	521,375	2,919,875	6,469,910	1,397,595	9,347,073	7,620,489	5,115,384	614,334
Intermediate sources	255,786	-	-	-	-	-	-	-
State sources	55,486,950	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	300,000	100,000	3,000,000	4,719,000	2,153,700	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	56,264,111	2,919,875	6,769,910	1,497,595	12,347,073	12,339,489	7,269,084	614,334
Disbursements:								
Instruction	40,088,010	-	-	-	-	15,250	500,169	-
Support services	14,467,912	-	-	-	-	4,751,962	4,645,299	439,130
Noninstructional services	1,258,891	-	-	-	-	-	-	-
Facilities acquisition and construction	8,945	-	-	-	-	2,701,873	-	-
Debt services	-	3,261,760	8,647,000	1,913,807	17,698,000	4,218,800	1,880,000	300,000
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	55,823,758	3,261,760	8,647,000	1,913,807	17,698,000	11,687,885	7,025,468	739,130
Excess (deficiency) of receipts over disbursements	440,353	(341,885)	(1,877,090)	(416,212)	(5,350,927)	651,604	243,616	(124,796)
Other financing sources (uses):								
Proceeds of long-term debt	-	77,530	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	516	-	-
Transfers in	669,792	-	-	-	-	-	5,415	-
Transfers out	(518,952)	-	-	-	-	-	-	-
Total other financing sources (uses)	150,840	77,530	-	-	-	516	5,415	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	591,193	(264,355)	(1,877,090)	(416,212)	(5,350,927)	652,120	249,031	(124,796)
Cash and investments - ending	\$ 6,011,498	\$ 1,870,691	\$ 3,036,700	\$ 842,913	\$ 3,554,018	\$ 3,492,345	\$ 3,323,433	\$ 795,714

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	2016 G.O. Bond	LCCHS Construction	2014 G.O. Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,350,000	\$ 677,443	\$ 486,763	\$ -	\$ 2,541,375	\$ 112,211	\$ 851,281	\$ (131,680)
Receipts:								
Local sources	-	-	-	-	596,454	-	2,346,015	1,525,587
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	59,251	315,850
Federal sources	-	-	-	-	-	-	986,744	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	596,454	-	3,392,010	1,841,437
Disbursements:								
Instruction	-	201,792	596,195	-	-	-	-	-
Support services	-	-	-	46,246	-	112,211	12,046	1,648,449
Noninstructional services	-	-	-	-	-	-	3,550,602	-
Facilities acquisition and construction	-	-	-	335,608	3,111,622	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	143,587	-
Total disbursements	-	201,792	596,195	381,854	3,111,622	112,211	3,706,235	1,648,449
Excess (deficiency) of receipts over disbursements	-	(201,792)	(596,195)	(381,854)	(2,515,168)	(112,211)	(314,225)	192,988
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	3,785,000	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	518,952	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(584,472)
Total other financing sources (uses)	-	-	518,952	3,785,000	-	-	-	(584,472)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(201,792)	(77,243)	3,403,146	(2,515,168)	(112,211)	(314,225)	(391,484)
Cash and investments - ending	\$ 1,350,000	\$ 475,651	\$ 409,520	\$ 3,403,146	\$ 26,207	\$ -	\$ 537,056	\$ (523,164)

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	Self- Insurance	Levy Excess	West Lake Special Education Cooperative	School Library Grant	Kolling Nature Trail	Facility Rental	Aquatics Center	Masters Association
Cash and investments - beginning	\$ 8,347,507	\$ -	\$ 144,428	\$ 924	\$ 1,000	\$ 55,424	\$ 71,351	\$ 1,273
Receipts:								
Local sources	10,151,294	5,415	11,779,277	-	-	61,447	104,843	7,776
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>10,151,294</u>	<u>5,415</u>	<u>11,779,277</u>	<u>-</u>	<u>-</u>	<u>61,447</u>	<u>104,843</u>	<u>7,776</u>
Disbursements:								
Instruction	27,399	-	8,386,883	-	-	-	-	35
Support services	12,000	-	3,541,671	924	-	3,392	3,569	-
Noninstructional services	-	-	-	-	-	-	91,031	8,644
Facilities acquisition and construction	-	-	-	-	-	3,848	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	9,798,022	-	105,444	-	-	-	-	-
Total disbursements	<u>9,837,421</u>	<u>-</u>	<u>12,033,998</u>	<u>924</u>	<u>-</u>	<u>7,240</u>	<u>94,600</u>	<u>8,679</u>
Excess (deficiency) of receipts over disbursements	<u>313,873</u>	<u>5,415</u>	<u>(254,721)</u>	<u>(924)</u>	<u>-</u>	<u>54,207</u>	<u>10,243</u>	<u>(903)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(5,415)	(85,320)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(5,415)</u>	<u>(85,320)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>313,873</u>	<u>-</u>	<u>(340,041)</u>	<u>(924)</u>	<u>-</u>	<u>54,207</u>	<u>10,243</u>	<u>(903)</u>
Cash and investments - ending	<u>\$ 8,661,380</u>	<u>\$ -</u>	<u>\$ (195,613)</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 109,631</u>	<u>\$ 81,594</u>	<u>\$ 370</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	Brick Pavers	War Memorial	LCHS Auditorium	United Way	Wellness Grant	SEED United Way	Kids On The Block
Cash and investments - beginning	\$ 68,898	\$ -	\$ -	\$ 5,542	\$ 36	\$ -	\$ 786
Receipts:							
Local sources	7,900	7,320	6,470	5,605	-	52,669	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>7,900</u>	<u>7,320</u>	<u>6,470</u>	<u>5,605</u>	<u>-</u>	<u>52,669</u>	<u>-</u>
Disbursements:							
Instruction	53,585	-	5,197	-	36	-	-
Support services	23,020	-	200	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>76,605</u>	<u>-</u>	<u>5,397</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(68,705)</u>	<u>7,320</u>	<u>1,073</u>	<u>5,605</u>	<u>(36)</u>	<u>52,669</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(68,705)</u>	<u>7,320</u>	<u>1,073</u>	<u>5,605</u>	<u>(36)</u>	<u>52,669</u>	<u>-</u>
Cash and investments - ending	<u>\$ 193</u>	<u>\$ 7,320</u>	<u>\$ 1,073</u>	<u>\$ 11,147</u>	<u>\$ -</u>	<u>\$ 52,669</u>	<u>\$ 786</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	High Ability 2014 / 2015	High Ability 2015 / 2016	Making A Difference Grant 2014 / 2015	938,850 CSF 5/16	906,600 CSF 9/13	895,500 CSF 6/14	924,400 CSF 11/14
Cash and investments - beginning	\$ 11,633	\$ -	\$ (6,300)	\$ -	\$ -	\$ -	\$ (924,400)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	74,993	10,500	-	-	-	924,400
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>74,993</u>	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>924,400</u>
Disbursements:							
Instruction	9,222	45,717	4,200	5,250	-	-	-
Support services	2,411	13,543	-	161,998	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,633</u>	<u>59,260</u>	<u>4,200</u>	<u>167,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(11,633)</u>	<u>15,733</u>	<u>6,300</u>	<u>(167,248)</u>	<u>-</u>	<u>-</u>	<u>924,400</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,633)</u>	<u>15,733</u>	<u>6,300</u>	<u>(167,248)</u>	<u>-</u>	<u>-</u>	<u>924,400</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 15,733</u>	<u>\$ -</u>	<u>\$ (167,248)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	918,350 CSF 5/15	918,350 CSF 11/15	Medicaid Reimbursement - State	NESP 2013 / 2014	NESP 2014 / 2015	NESP 2015 / 2016	Connectivity Grant 2015 / 2016
Cash and investments - beginning	\$ (67,391)	\$ -	\$ 2,956	\$ -	\$ 7,990	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	918,350	-	6,059	-	-	39,920	13,044
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>918,350</u>	<u>-</u>	<u>6,059</u>	<u>-</u>	<u>-</u>	<u>39,920</u>	<u>13,044</u>
Disbursements:							
Instruction	99,237	11,008	8,961	-	6,932	37,120	-
Support services	751,722	489,297	-	-	1,058	-	13,044
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>850,959</u>	<u>500,305</u>	<u>8,961</u>	<u>-</u>	<u>7,990</u>	<u>37,120</u>	<u>13,044</u>
Excess (deficiency) of receipts over disbursements	<u>67,391</u>	<u>(500,305)</u>	<u>(2,902)</u>	<u>-</u>	<u>(7,990)</u>	<u>2,800</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>67,391</u>	<u>(500,305)</u>	<u>(2,902)</u>	<u>-</u>	<u>(7,990)</u>	<u>2,800</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (500,305)</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,800</u>	<u>\$ -</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	USF Technology Refund	Performance Awards Grant 2014 / 2015	Performance Awards Grant 2015 / 2016	Secured Safety Grant Program	Title I 2013 / 2014	Title I 2014 / 2015	Title I 2015 / 2016
Cash and investments - beginning	\$ 224,424	\$ -	\$ -	\$ -	\$ -	\$ (55,617)	\$ -
Receipts:							
Local sources	32,025	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	62,099	-	354,155	-	-	-	-
Federal sources	-	-	-	-	-	93,824	670,665
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>94,124</u>	<u>-</u>	<u>354,155</u>	<u>-</u>	<u>-</u>	<u>93,824</u>	<u>670,665</u>
Disbursements:							
Instruction	33,894	-	314,970	-	-	35,130	700,260
Support services	72,789	-	38,478	-	-	2,360	21,602
Noninstructional services	-	-	707	-	-	717	221
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>106,683</u>	<u>-</u>	<u>354,155</u>	<u>-</u>	<u>-</u>	<u>38,207</u>	<u>722,083</u>
Excess (deficiency) of receipts over disbursements	<u>(12,559)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,617</u>	<u>(51,418)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,559)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,617</u>	<u>(51,418)</u>
Cash and investments - ending	<u>\$ 211,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,418)</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	Title I, Part D 2013 / 2014	Title I, Part D 2014 / 2015	IDEA, Part B 2012 / 2014	IDEA, Part B 2013 / 2015	IDEA, Part B 2014 / 2016	IDEA, Part B 2015 / 2017	Federal Preschool 2013 / 2015
Cash and investments - beginning	\$ -	\$ (7,673)	\$ -	\$ -	\$ (226,007)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	21,694	-	-	1,453,419	1,464,805	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	21,694	-	-	1,453,419	1,464,805	-
Disbursements:							
Instruction	-	10,219	-	-	856,660	1,220,322	-
Support services	-	3,802	-	-	370,752	456,937	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	14,021	-	-	1,227,412	1,677,259	-
Excess (deficiency) of receipts over disbursements	-	7,673	-	-	226,007	(212,454)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,673	-	-	226,007	(212,454)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (212,454)	\$ -

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	Federal Preschool 2014 / 2016	Federal Preschool 2015 / 2017	IDEA, Part B TA Grant 2013 / 2015	Medicaid Reimbursement - Federal	Title II, Part A 2012 / 2014	Title II, Part A 2013 / 2015	Title II, Part A 2014 / 2016
Cash and investments - beginning	\$ (5,545)	\$ -	\$ -	\$ 90,905	\$ -	\$ (3,429)	\$ (14,922)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	1,378	-	-	-	-
Federal sources	63,386	27,790	-	24,389	-	13,098	102,091
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>63,386</u>	<u>27,790</u>	<u>1,378</u>	<u>24,389</u>	<u>-</u>	<u>13,098</u>	<u>102,091</u>
Disbursements:							
Instruction	36,405	23,696	-	7,449	-	4,432	57,737
Support services	21,436	10,124	1,378	5,644	-	5,237	45,872
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>57,841</u>	<u>33,820</u>	<u>1,378</u>	<u>13,093</u>	<u>-</u>	<u>9,669</u>	<u>103,609</u>
Excess (deficiency) of receipts over disbursements	<u>5,545</u>	<u>(6,030)</u>	<u>-</u>	<u>11,296</u>	<u>-</u>	<u>3,429</u>	<u>(1,518)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,545</u>	<u>(6,030)</u>	<u>-</u>	<u>11,296</u>	<u>-</u>	<u>3,429</u>	<u>(1,518)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (6,030)</u>	<u>\$ -</u>	<u>\$ 102,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,440)</u>

LAKE CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2016  
 (Continued)

	Title II, Part A 2015 / 2017	Title III 2013 / 2015	Title III 2014 / 2016	Title III 2015 / 2017	Payroll Clearing Fund	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (3,054)	\$ -	\$ 98,007	\$ -	\$ 43,174,487
Receipts:							
Local sources	-	-	-	-	-	-	60,696,132
Intermediate sources	-	-	-	-	-	-	255,786
State sources	-	-	-	-	-	-	58,266,949
Federal sources	9,426	-	10,287	25,214	-	-	4,966,832
Temporary loans	-	-	-	-	-	-	10,272,700
Other receipts	-	-	-	-	13,921,642	143,587	14,065,229
Total receipts	9,426	-	10,287	25,214	13,921,642	143,587	148,523,628
Disbursements:							
Instruction	9,690	-	7,081	26,527	-	-	53,446,670
Support services	11,233	-	152	486	-	-	32,209,386
Noninstructional services	-	-	-	-	-	-	4,910,813
Facilities acquisition and construction	-	-	-	-	-	-	6,161,896
Debt services	-	-	-	-	-	-	37,919,367
Nonprogrammed charges	-	-	-	-	13,951,775	68,708	24,067,536
Total disbursements	20,923	-	7,233	27,013	13,951,775	68,708	158,715,668
Excess (deficiency) of receipts over disbursements	(11,497)	-	3,054	(1,799)	(30,133)	74,879	(10,192,040)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	3,862,530
Sale of capital assets	-	-	-	-	-	-	516
Transfers in	-	-	-	-	-	-	1,194,159
Transfers out	-	-	-	-	-	-	(1,194,159)
Total other financing sources (uses)	-	-	-	-	-	-	3,863,046
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,497)	-	3,054	(1,799)	(30,133)	74,879	(6,328,994)
Cash and investments - ending	\$ (11,497)	\$ -	\$ -	\$ (1,799)	\$ 67,874	\$ 74,879	\$ 36,845,493

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LAKE CENTRAL SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,039,032</u>	<u>\$ -</u>

LAKE CENTRAL SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lake Central Multi-District School Building Corporation	Kahler Refunding Series 2014	\$ 1,773,000	06/30/2014	12/31/2017
Lake Central Multi-District School Building Corporation	Clark Middle School Series 2014B	2,150,000	12/31/2014	12/31/2025
Lake Central Multi-District School Building Corporation	Bibich Peifer Homan Watson Refunding Series 2011	775,000	07/15/2011	12/31/2029
Lake Central Multi-District School Building Corporation	Freshman Center Refunding Series 2012A	1,630,000	12/31/2012	06/30/2018
Lake Central Multi-District School Building Corporation	High School & Protsman Series 2012B	9,084,000	07/15/2013	01/15/2033
Lake Central Multi-District School Building Corporation	High School & Protsman Series 2013	214,000	07/15/2013	01/15/2033
Lake Central Multi-District School Building Corporation	QSCB's	<u>230,000</u>	07/15/2011	12/31/2026
Total of annual lease payments		<u>\$ 15,856,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Peifer HVAC Series 2012	\$ 500,000	\$ 505,063
General obligation bonds	District Wide Environmental & Safety Series 2014	975,000	494,775
General obligation bonds	District Wide Projects Series 2016	3,785,000	400,346
General obligation bonds	Pension Bonds	10,000,000	1,326,127
Tax anticipation warrants	Tax Anticipation Warrants 2016	8,893,900	9,004,147
Notes and loans payable	Common School Loan #A1519	189,880	191,304
Notes and loans payable	Common School Loan #A1541	284,820	192,253
Notes and loans payable	Common School Loan #A1641	466,200	190,676
Notes and loans payable	Common School Loan #A1651	115,570	47,268
Notes and loans payable	Common School Loan #A1688	559,440	191,608
Notes and loans payable	Common School Loan #A1744	643,090	189,712
Notes and loans payable	Common School Loan #A1788	725,280	188,120
Notes and loans payable	Common School Loan #A1823	805,950	186,712
Notes and loans payable	Common School Loan #A1894	924,400	196,283
Notes and loans payable	Common School Loan #A1932	<u>918,350</u>	<u>99,459</u>
Totals		<u>\$ 29,786,880</u>	<u>\$ 13,403,853</u>

LAKE CENTRAL SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2016

Capital assets are reported at current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 4,775,000
Buildings	392,760,038
Improvements other than buildings	7,249,158
Machinery, equipment, and vehicles	51,677,129
Books and other	<u>14,210,661</u>
Total capital assets	<u><u>\$ 470,671,986</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 LAKE CENTRAL SCHOOL CORPORATION, LAKE COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Lake Central School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. 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, 2014 to June 30, 2016.

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 items 2016-002, 2016-003, and 2016-004. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance 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.

**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 a 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 2016-002, 2016-003, and 2016-004 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 3, 2017

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAKE CENTRAL SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Child Nutrition Cluster	Indiana Department of Education						
School Breakfast Program		10.553	FY14-15 and 15-16	\$ -	\$ 81,922	\$ -	\$ 89,471
National School Lunch Program		10.555	FY14-15 and 15-16	-	942,288	-	895,809
National School Lunch Program - Commodities		10.555	FY14-15 and 15-16	-	234,938	-	233,428
Total for program				-	1,177,226	-	1,129,237
Special Milk Program for Children		10.556	FY14-15 and 15-16	-	1,683	-	1,463
Total for cluster				-	1,260,831	-	1,220,171
Total for federal grantor agency				-	1,260,831	-	1,220,171
<b>U.S. DEPARTMENT OF EDUCATION</b>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			14-4615	-	85,851	-	-
			15-4615	-	773,942	-	38,207
			16-4615	-	-	-	722,084
Title I, Part D Delinquent Grant			FY 13-14	-	13,248	-	-
Title I, Part D Delinquent Grant			FY 14-15	-	34,224	-	14,021
Total for program				-	907,265	-	774,312
Special Education Cluster	Indiana Department of Education						
Special Education - Grants to States		84.027					
			14213-064-PN01	-	443	-	-
			14214-064-PN01	-	838,109	-	-
			14215-064-PN01	-	1,130,193	-	859,188
			14216-062-PN01	-	-	-	1,174,082
Special Education - Technical Assistance Grants			99914-064-TA01	-	20,430	-	964
Total for program				-	1,989,175	-	2,034,234

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

LAKE CENTRAL SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>							
Special Education Cluster (continued)							
Special Education - Preschool Grants	Indiana Department of Education	84.173					
			45714-064-PN01	-	24,335	-	-
			45715-064-PN01	-	31,039	-	40,489
			45716-062-PN01	-	-	-	23,674
				-	-	-	-
Total for program				-	55,374	-	64,163
Total for cluster				-	2,044,549	-	2,098,397
English Language Acquisition State Grants	Indiana Department of Education	84.365					
			0114-038-PN01	-	9,923	-	-
			0115-049-PN01	-	38,219	-	7,233
			0116-050-PN01	-	-	-	27,014
				-	-	-	-
Total for program				-	48,142	-	34,247
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
			12-4615	-	40,271	-	-
			13-4615	-	105,774	-	9,669
			14-4615	-	28,484	-	103,609
			15-4615	-	-	-	20,923
				-	-	-	-
Total for program				-	174,529	-	134,201
Total for federal grantor agency				-	3,174,485	-	3,041,157
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	385PA4173000000	-	15,146	-	-
Total for federal grantor agency				-	15,146	-	-
Total federal awards expended				\$ -	\$ 4,450,462	\$ -	\$ 4,261,328

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

LAKE CENTRAL SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 3. *Special Education Cooperative***

The School Corporation is a member of a Special Education Cooperative and serves as the fiscal agent for it. As a result, some activity for the Special Education Cluster that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFA of the member school corporation as appropriate.

LAKE CENTRAL SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

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
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies Special Education Cluster
84.367	Improving Teacher Quality State Grants

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2016-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS**

*Condition*

There were several deficiencies in the internal control system of the School Corporation related to financial transactions.

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts and vendor disbursements.

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

Receipts: One individual issued and recorded receipts, prepared the deposits, took the deposits to the bank, and performed the monthly reconciliation of the bank balance to the record balance without a proper system of oversight or review.

Disbursements: Two individuals were involved in the vendor disbursements process. One individual processed the vendor disbursements that were supported with a purchase order; the other individual processed the vendor disbursements that the School Corporation had determined did not require the use of a purchase order. A separate review of the disbursements prior to School Board approval was performed by an appropriate school official; however, written evidence of an adequate oversight or review process was not provided.

2. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting requires the School Corporation to monitor and assess the quality of the system of internal control.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal control related to receipts. Management of the School Corporation had not properly implemented the internal control system related to vendor disbursements.

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

*Effect*

The failure to establish and properly implement controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2016-002 - EQUIPMENT AND REAL PROPERTY MANAGEMENT**

Federal Agency: U.S. Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Special Milk Program for Children

CFDA Numbers: 10.553, 10.555, 10.556

Federal Award Numbers and Years (or Other Identifying Numbers): FY14-15, 15-16

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Equipment and Real Property Management compliance requirement.

The School Corporation failed to comply with the Equipment and Real Property Management requirements that property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date and cost of the property, percentage of federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

*Context*

The School Corporation's failure to maintain property records to comply with the Equipment and Real Property Management requirements was a systemic issue during the audit period.

*Criteria*

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. . . ."

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 3016.32 state in part:

". . . (b) *States.* A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section. . . .

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. . . ."

*Cause*

The School Corporation had not developed a system of internal controls to ensure compliance with the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Equipment and Real Property Management compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2016-003 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: U.S. Department of Education

Federal Programs: Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants  
CFDA Numbers: 84.010, 84.367

Federal Award Numbers and Years (or Other Identifying Numbers): 14-4615, 15-4615, 16-4615,  
FY 13-14, FY 14-15, 12-4615,  
13-4615

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the Allowable Costs/Cost Principles requirement that where employees work on a federal award and a non-federal award, the distribution of their salaries or wages will be supported by Personnel Activity Reports or equivalent documentation.

For the Title I Grants to Local Educational Agencies, two deans of students, a guidance counselor and an aide whose salaries were split on a percentage basis, did not provide Personnel Activity Reports or equivalent documentation to support the amount paid from the federal award. Due to the lack of documentation, it could not be determined whether \$35,841 of payroll and related costs were in accordance with Allowable Costs/Cost Principles requirements.

For the Improving Teacher Quality State Grants, a portion of a Director's salary was paid from the grant fund. Personnel Activity Reports or equivalent documentation were not maintained for the 2014-2015 school year for the portion of the Director's salary and related costs paid from the grant. Personnel Activity Reports or equivalent documentation for the 2015-2016 school year were maintained; however, the Personnel Activity Reports did not properly support the amount of payroll and related costs paid from the grant. Due to the lack of documentation, it could not be determined whether \$11,598 of payroll and related costs were in accordance with Allowable Costs/Cost Principles requirements. In addition, an instance of noncompliance was noted on a \$489 claim for school nurse training paid from the grant fund in error.

*Context*

The lack of controls and the noncompliance regarding salaries were systemic problems. The required supporting documentation (Personnel Activity Reports or equivalent documentation) for 4 of 48 employees tested was not maintained. The error on the vendor claim was an isolated incident.

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

*Criteria*

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

OMB Circular A-87, Attachment B, Part 8(h) states in part:

". . . (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award, . . ."

OMB Circular A-87, Attachment A, Part C. Basic Guidelines states in part:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of this Circular. . . ."

2 CFR 200.430(h)(8)(i) states in part:

"Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

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

- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS) . . ."

*Cause*

The School Corporation had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were \$35,841 of questioned costs identified for the Title I Grants to Local Educational Agencies. There were \$12,087 of questioned costs identified for the Improving Teacher Quality State Grants.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2016-004 - SPECIAL TESTS AND PROVISIONS - ASSESSMENT OF NEED***

Federal Agency: U.S. Department of Education  
Federal Program: Improving Teacher Quality State Grants  
CFDA Number: 84.367  
Federal Award Number and Years (or Other Identifying Numbers): 12-4615, 13-4615, 14-4615, 15-4615  
Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Assessment of Need compliance requirement.

To be eligible to receive Improving Teacher Quality State Grants, the U.S. Department of Education required School Corporations to conduct an assessment of local needs for professional development and hiring. The needs assessment must be conducted with the involvement of teachers, including teachers who work in Title I, Part A targeted assistance programs and schoolwide program schools.

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

Each school in the School Corporation prepared its improvement plan every year and submitted the plan to the Indiana Department of Education. However, it could not be determined whether the needs assessment was conducted with the involvement of teachers, including teachers who work in Title I, Part A, as required, since supporting documentation was not provided to support that meetings were held or to verify the attendance of required participants.

*Context*

This was a systemic problem. Documentation was not provided to support the information in the School Corporation's improvement plan.

*Criteria*

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. . . ."

Elementary & Secondary Education Act (ESEA) Sections 2122(c) states:

"(c) NEEDS ASSESSMENT-

- (1) IN GENERAL- To be eligible to receive a subgrant under this subpart, a local educational agency shall conduct an assessment of local needs for professional development and hiring, as identified by the local educational agency and school staff.
- (2) REQUIREMENTS- Such needs assessment shall be conducted with the involvement of teachers, including teachers participating in programs under part A of title I, and shall take into account the activities that need to be conducted in order to give teachers the means, including subject-matter knowledge and teaching skills, and to give principals the instructional leadership skills to help teachers, to provide students with the opportunity to meet challenging State and local student academic achievement standards."

*Cause*

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Assessment of Need compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Special Tests and Provisions - Assessment of Need compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

*Auditor's Response*

The Corrective Action Plan stated that email correspondence was offered to document the required meetings and participants. However, we initially requested the documentation from three building principals, none of whom were able to provide us with email documentation that would have covered the audit period. This, along with the lack of sign-in sheets, led to our determination that sufficient supporting documentation to verify the required attendees was not able to be obtained.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

# Lake Central School Corporation

8260 Wicker Avenue  
Tel: (219) 365-8507

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

website: *lcsc.us*



Lawrence Veracco, Ph.D.  
Superintendent

Rob James  
Director of Business  
Services

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding 2014-002

Fiscal Year: July 1, 2012 to June 30, 2014


Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Gladys Rediger, Food Service Director

Contact Phone Number: (219) 865-4416

#### Status of Audit Finding:

Beginning with the 2015-2016 school year, the district no longer allocates a portion of administrative support staff salaries (i.e. Corporation Treasurer, payroll, accounts payable clerks) to the School Lunch fund. We intended to apply the calculated indirect cost rate to recover administrative costs. However, at this time, we are yet to charge any indirect costs to the School Lunch fund.

  
\_\_\_\_\_  
(Signature)  
*Director of Business Services*  
\_\_\_\_\_  
(Title)  
*2-14-17*  
\_\_\_\_\_  
(Date)

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Superintendent

Rob James  
Director of Business  
Services

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding 2014-003

Fiscal Year: July 1, 2012 to June 30, 2014

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Gladys Rediger, Food Service Director

Contact Phone Number: (219) 865-4416

#### Status of Audit Finding:

On June 1, 2015, the Lake Central Board of School Trustees approved HPS, LLC to act as our third party for the bidding of our food service products. Once the bids were received by HPS, their recommendations were formally awarded by the Lake Central School Board on July 20, 2015. For the 2016-2017 school year, the Lake Central School Board approved the HPS contract on June 6, 2016 and formally awarded the food service bids on July 18, 2016. The audit finding of not approving the third party contract nor formally awarding the bids has been corrected.

(Signature)

Director of Business Services

(Title)

2-14-17

(Date)

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Lawrence Veracco, Ph.D.  
Superintendent

Rob James  
Director of Business  
Services

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding 2014-004

Fiscal Year: July 1, 2012 to June 30, 2014

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Gladys Rediger, Food Service Director

Contact Phone Number: (219) 865-4416

Status of Audit Finding:

*Eligibility* – The income eligibility guidelines are uploaded into our food service computer software by our software provider. The program then determines the applicant's eligibility. One of our food service employees goes into the system to verify the guideline amounts were accurately uploaded. This person also tests a sample of the computer generated determinations to verify that the software is making the proper eligibility conclusions.

*Verification of Free and Reduced Price Lunch Applications* – A food service employee conducts the verification of the free and reduced lunch applications and signs off on the form when complete. The Food Service Director then reviews and confirms the verification initially performed and also signs the form.

  
\_\_\_\_\_  
(Signature)  
*Director of Business Services*  
\_\_\_\_\_  
(Title)  
*2-14-17*  
\_\_\_\_\_  
(Date)

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Superintendent

Rob James  
Director of Business  
Services

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-001***

Contact Person Responsible for Corrective Action: Rob James  
Contact Phone Number: (219) 365-8507

Description of Corrective Action Plan:

#### Lack of Segregation of Duties

*Receipts* – The majority of money receipted through Central Office is received via ACH or bank wires. Currently, the Director of Business Services verifies that all of these transactions are receipted correctly. Most of the cash and checks remitted to the Corporation Treasurer (i.e. insurance checks, facility rental, food service, etc) are initially collected and counted by other individuals in the corporation. After the money is remitted to the Corporation Treasurer, a receipt is sent back to the person who collected the payments for them to compare to the amount remitted. With limited financial resources, we will not have the ability to add a staff member, for the sole purpose of segregating duties. If resources do not substantially increase, the administrative team will need to develop a system of additional oversight to review the receipts and deposits.

*Disbursements* – The Director of Business Services currently does review disbursements that appear on the claim docket by verifying that the payee, dollar amount, account code, etc agree to the original invoice and have been properly approved for payment. We will implement procedures to maintain evidence that the review is being conducted.

#### Monitoring of Controls

Once the aforementioned internal controls are implemented during the 2017-2018 school year, the next step will be for the district to review the effectiveness of these controls. This will involve a separate administrator who is not involved in the Business Department control structure.

Anticipated Completion Date: During the 2017-2018 school year.

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Director of Business Services  
(Title)

\_\_\_\_\_  
4-28-17  
(Date)

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Lawrence Veracco, Ph.D.  
Superintendent

Rob James  
Director of Business  
Services

## CORRECTIVE ACTION PLAN

### **FINDING 2016-002**

Contact Person Responsible for Corrective Action: Rob James  
Contact Phone Number: (219) 365-8507

#### Description of Corrective Action Plan:

Although the school corporation maintains records of the equipment it purchases, we concur that the Food Service Department does not currently maintain all of the equipment details outlined in the Finding. When equipment is purchased with School Lunch funds in the future, we will be sure to document all of the required information.

Anticipated Completion Date: During the 2017-2018 school year.

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Director of Business Services  
(Title)

\_\_\_\_\_  
4-28-17  
(Date)

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Lawrence Veracco, Ph.D.  
Superintendent

Rob James  
Director of Business  
Services

## CORRECTIVE ACTION PLAN

### **FINDING 2016-003**

Contact Person Responsible for Corrective Action: Rob James  
Contact Phone Number: (219) 365-8507

#### Description of Corrective Action Plan:

The School Corporation provided information explaining how the salaries of employees were determined to be separated between federal and non-federal funds. However, the school corporation concurs that all employees did not adequately maintain time and effort logs during the audit period. When this was originally brought to our attention during a Title 1 review, we immediately informed our employees of the need to maintain proper time and effort documentation. This requirement was implemented at the beginning of the 2016-2017 for all employees partially paid from federal funds, regardless of the grant.

Anticipated Completion Date: Already corrected at the beginning of the 2016-2017 school year.

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Director of Business Services  
(Title)

\_\_\_\_\_  
4-28-17  
(Date)

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Lawrence Veracco, Ph.D.  
Superintendent

Rob James  
Director of Business  
Services

## CORRECTIVE ACTION PLAN

### **FINDING 2016-004**

Contact Person Responsible for Corrective Action: Rob James  
Contact Phone Number: (219) 365-8507

Description of Corrective Action Plan:

The improvement plans submitted to the Indiana Department of Education (IDOE) detail all of the staff members who were involved in the plan. Three of the school corporation's ten schools are Title 1 schools. All three of these schools had a Title 1 staff member as part of the committee and were documented on the plan submitted and approved by the IDOE. Additionally, emails were offered showing correspondence between the school principal and the committee members, which did include the Title 1 staff members. Unfortunately, the school corporation did not maintain a sign-in sheet for the meetings, so we were unable to prove that the committee members actually attended the meetings. In the future, we will maintain a sign-in sheet for all staff meetings and those will be retained for audit purposes.

Anticipated Completion Date: Already corrected at the beginning of the 2016-2017 school year.

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Director of Business Services  
(Title)

\_\_\_\_\_  
4-28-17  
(Date)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.