

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

LAWRENCEBURG COMMUNITY
SCHOOL CORPORATION
DEARBORN COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pam Taylor	01-01-13 to 12-31-17
Superintendent of Schools	Karl Galey	07-01-13 to 06-30-18
President of the School Board	Kelly Mollaun Greg McAdams Bryan Johnson	01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Lawrenceburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, 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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 September 19, 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

September 19, 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 LAWRENCEBURG COMMUNITY SCHOOL
CORPORATION, DEARBORN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Lawrenceburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated September 19, 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 material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 items 2015-001 and 2015-002 to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

Lawrenceburg Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

September 19, 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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	3,133,821	\$ 13,417,156	\$ 13,108,216	\$ 5,314	\$ 3,448,075	\$ 13,599,667	\$ 13,382,699	\$ 5,575	\$ 3,670,618
Debt Service	874,568	1,693,681	1,674,463	-	893,786	1,763,290	1,673,913	-	983,163
Capital Projects	1,146,595	2,332,933	2,496,364	(259,283)	723,881	2,046,456	1,749,741	(676,635)	343,961
School Transportation	120,607	681,395	509,315	(147,910)	144,777	603,963	432,976	(200,000)	115,764
School Bus Replacement	489,421	318,362	301,656	2,700	508,827	202,403	402,132	-	309,098
Rainy Day	2,030,000	-	-	415,440	2,445,440	-	1,537,431	900,000	1,808,009
Post-Retirement/Severance Future Benefits	194,029	-	-	1,716	195,745	-	-	1,509	197,254
School Lunch	309,751	936,250	970,292	-	275,709	910,786	1,020,595	-	165,900
Textbook Rental	64,416	210,858	216,408	-	58,866	308,942	367,808	-	-
Self-Insurance	19,348	39,711	37,378	-	21,681	49,342	45,181	-	25,842
Levy Excess	-	-	-	-	-	251	-	-	251
Plato Project	(3,427)	69,180	68,231	-	(2,478)	105,851	104,709	-	(1,336)
Project Lead the Way	(5,038)	58,897	62,779	-	(8,920)	71,661	71,204	-	(8,463)
Alternative To Suspension	(5,987)	95,376	95,802	-	(6,413)	93,467	98,346	-	(11,292)
Student Resource/Homework Help	(3,483)	68,035	68,696	-	(4,144)	58,890	61,985	-	(7,239)
Athletic Trainer	-	-	5,400	-	(5,400)	11,265	5,865	-	-
City Grant Miscellaneous Items	-	45,174	62,134	-	(16,960)	149,256	132,296	-	-
One Community One Family	29,600	-	6,050	-	23,550	-	6,636	-	16,914
AHEC Grant - Biomed Costs	261	-	-	-	261	-	-	-	261
Dream It Do It - DCF	1,000	-	898	-	102	-	102	-	-
Wireless	-	139,458	139,458	-	-	-	-	-	-
Mojo shirt purchase	-	-	-	-	-	159	159	-	-
Local Tech Prep PLTW	416	-	-	-	416	-	-	-	416
Early College Program	280	73,428	70,983	-	2,725	101,915	104,640	-	-
Xmester Grant	9,000	439	2,631	-	6,808	-	4,618	-	2,190
Extra-Curricular Activities	(2,633)	23,945	22,084	-	(772)	20,444	21,373	-	(1,701)
Drivers Ed	21,765	21,500	20,924	-	22,341	28,453	20,412	-	30,382
Scholarships and Awards	102,529	950	2,000	-	101,479	1,221	700	-	102,000
Drug Free Communities	28	-	-	-	28	-	28	-	-
Medicaid Reimbursement	872	7,700	-	(6,627)	1,945	5,183	-	(6,683)	445
Secured Schools Safety Grant	-	-	-	-	-	50,000	50,000	-	-

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Non-English Speaking Programs P.L. 273-1999	614	-	614	-	-	-	-	-	-
Non-English Speaking Programs 13/14	-	1,126	-	-	1,126	-	1,126	-	-
NESP	-	-	-	-	-	702	260	-	442
School Technology	4,743	15,995	18,683	-	2,055	17,296	19,351	-	-
Performance Based Awards	-	-	-	-	-	20,780	20,780	-	-
Perf Based Awards All Schools	-	-	-	-	-	85,488	82,501	-	2,987
Gifted and Talented	17,252	-	17,252	-	-	-	-	-	-
High Ability 13/14	-	33,685	17,179	-	16,506	(500)	16,006	-	-
High Ability 2014-2015	-	-	-	-	-	34,360	18,133	-	16,227
Latchkey	17,277	27,940	13,465	-	31,752	29,258	18,264	-	42,746
Title I Part D 11/12	-	-	-	-	-	37	37	-	-
Title I Part D 12/13	(6,255)	20,293	14,038	-	-	-	-	-	-
Title I Part D 2013/2014	-	34,319	34,914	-	(595)	3,080	2,485	-	-
Title I Part D SY 14/15	-	-	-	-	-	21,809	21,934	-	(125)
Title I 12/13	(17,023)	17,479	456	-	-	-	-	-	-
Title I 13/14	-	336,034	334,326	-	1,708	-	1,708	-	-
Title I 2014/2015	-	-	-	-	-	324,794	324,794	-	-
Nutritional Grant - State	-	-	-	-	-	-	3,398	-	(3,398)
Medicaid Reimbursement - Federal	30,342	20,856	5,359	(403)	45,436	12,460	2,635	(401)	54,860
Imp Teach Qual Title IIA 11/12	(2,635)	3,561	926	-	-	-	-	-	-
Title IIA FY 12	-	61,909	62,246	-	(337)	12,319	11,982	-	-
Title IIA FY 13	-	-	-	-	-	64,631	69,647	-	(5,016)
Payroll Clearing	14,934	10,131,555	10,123,834	-	22,655	11,071,507	11,090,510	-	3,652
Cafeteria Clearing	1,119	334,530	334,434	-	1,215	352,690	350,762	-	3,143
Title III - Language Instruction	-	1,137	1,137	-	-	-	-	-	-
Title III 12/13	(10,760)	11,553	793	-	-	299	299	-	-
Title III English Prof Migrant	-	795	795	-	-	17,435	17,435	-	-
Title III 14/16	-	-	-	-	-	93	93	-	-
Totals	<u>\$ 8,577,347</u>	<u>\$ 31,287,195</u>	<u>\$ 30,922,613</u>	<u>\$ 10,947</u>	<u>\$ 8,952,876</u>	<u>\$ 32,251,403</u>	<u>\$ 33,369,689</u>	<u>\$ 23,365</u>	<u>\$ 7,857,955</u>

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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.

LAWRENCEBURG COMMUNITY 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.

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 service. 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:

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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

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.

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 funds being set up for reimbursement. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Lawrenceburg School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2014 and 2015 totaled \$1,677,500 each year.

Note 9. Subsequent Events

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

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.

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LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self-Insurance
Cash and investments - beginning	\$ 3,133,821	\$ 874,568	\$ 1,146,595	\$ 120,607	\$ 489,421	\$ 2,030,000	\$ 194,029	\$ 309,751	\$ 64,416	\$ 19,348
Receipts:										
Local sources	1,068,155	1,693,681	2,332,933	681,395	318,362	-	-	325,604	144,810	39,711
Intermediate sources	12	-	-	-	-	-	-	-	-	-
State sources	12,348,989	-	-	-	-	-	-	10,331	66,048	-
Federal sources	-	-	-	-	-	-	-	600,315	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	13,417,156	1,693,681	2,332,933	681,395	318,362	-	-	936,250	210,858	39,711
Disbursements:										
Instruction	8,675,166	-	-	-	-	-	-	-	-	-
Support services	4,104,200	-	945,388	509,315	301,656	-	-	-	216,408	-
Noninstructional services	325,813	-	-	-	-	-	-	970,292	-	-
Facilities acquisition and construction	-	-	1,550,976	-	-	-	-	-	-	-
Debt service	3,037	1,674,463	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	37,378
Total disbursements	13,108,216	1,674,463	2,496,364	509,315	301,656	-	-	970,292	216,408	37,378
Excess (deficiency) of receipts over disbursements	308,940	19,218	(163,431)	172,080	16,706	-	-	(34,042)	(5,550)	2,333
Other financing sources (uses):										
Sale of capital assets	-	-	8,247	-	2,700	-	-	-	-	-
Transfers in	7,030	-	-	-	-	415,440	1,716	-	-	-
Transfers out	(1,716)	-	(267,530)	(147,910)	-	-	-	-	-	-
Total other financing sources (uses)	5,314	-	(259,283)	(147,910)	2,700	415,440	1,716	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	314,254	19,218	(422,714)	24,170	19,406	415,440	1,716	(34,042)	(5,550)	2,333
Cash and investments - ending	\$ 3,448,075	\$ 893,786	\$ 723,881	\$ 144,777	\$ 508,827	\$ 2,445,440	\$ 195,745	\$ 275,709	\$ 58,866	\$ 21,681

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Levy Excess	Plato Project	Project Lead the Way	Alternative To Suspension	Student Resource/ Homework Help	Athletic Trainer	City Grant Miscellaneous Items	One Community One Family	AHEC Grant - Biomed Costs	Dream It Do It - DCF
Cash and investments - beginning	\$ -	\$ (3,427)	\$ (5,038)	\$ (5,987)	\$ (3,483)	\$ -	\$ -	\$ 29,600	\$ 261	\$ 1,000
Receipts:										
Local sources	-	69,180	58,897	95,376	68,035	-	45,174	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	69,180	58,897	95,376	68,035	-	45,174	-	-	-
Disbursements:										
Instruction	-	68,231	62,779	95,802	-	-	-	-	-	-
Support services	-	-	-	-	68,696	5,400	62,134	6,050	-	898
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	68,231	62,779	95,802	68,696	5,400	62,134	6,050	-	898
Excess (deficiency) of receipts over disbursements	-	949	(3,882)	(426)	(661)	(5,400)	(16,960)	(6,050)	-	(898)
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	-	949	(3,882)	(426)	(661)	(5,400)	(16,960)	(6,050)	-	(898)
Cash and investments - ending	\$ -	\$ (2,478)	\$ (8,920)	\$ (6,413)	\$ (4,144)	\$ (5,400)	\$ (16,960)	\$ 23,550	\$ 261	\$ 102

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Wireless	Mojo shirt purchase	Local Tech Prep PLTW	Early College Program	Xmester Grant	Extra- Curricular Activities	Drivers Ed	Scholarships and Awards	Drug Free Communities	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ -	\$ 416	\$ 280	\$ 9,000	\$ (2,633)	\$ 21,765	\$ 102,529	\$ 28	\$ 872
Receipts:										
Local sources	139,458	-	-	73,428	439	23,945	21,500	950	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	7,700
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	139,458	-	-	73,428	439	23,945	21,500	950	-	7,700
Disbursements:										
Instruction	-	-	-	70,983	2,631	-	20,924	-	-	-
Support services	139,458	-	-	-	-	16,216	-	-	-	-
Noninstructional services	-	-	-	-	-	5,868	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	2,000	-	-
Total disbursements	139,458	-	-	70,983	2,631	22,084	20,924	2,000	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	2,445	(2,192)	1,861	576	(1,050)	-	7,700
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(6,627)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(6,627)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	2,445	(2,192)	1,861	576	(1,050)	-	1,073
Cash and investments - ending	\$ -	\$ -	\$ 416	\$ 2,725	\$ 6,808	\$ (772)	\$ 22,341	\$ 101,479	\$ 28	\$ 1,945

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs 13/14	NESP	School Technology	Performance Based Awards	Perf Based Awards All Schools	Gifted and Talented	High Ability 13/14	High Ability 2014-2015
Cash and investments - beginning	\$ -	\$ 614	\$ -	\$ -	\$ 4,743	\$ -	\$ -	\$ 17,252	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	10,115	-	-	-	500	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	1,126	-	5,880	-	-	-	33,185	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,126	-	15,995	-	-	-	33,685	-
Disbursements:										
Instruction	-	614	-	-	-	-	-	17,252	17,179	-
Support services	-	-	-	-	18,683	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	614	-	-	18,683	-	-	17,252	17,179	-
Excess (deficiency) of receipts over disbursements	-	(614)	1,126	-	(2,688)	-	-	(17,252)	16,506	-
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	-	(614)	1,126	-	(2,688)	-	-	(17,252)	16,506	-
Cash and investments - ending	\$ -	\$ -	\$ 1,126	\$ -	\$ 2,055	\$ -	\$ -	\$ -	\$ 16,506	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Latchkey	Title I Part D 11/12	Title I Part D 12/13	Title I Part D 2013/2014	Title I Part D SY 14/15	Title I 12/13	Title I 13/14	Title I 2014/2015	Nutritional Grant - State	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 17,277	\$ -	\$ (6,255)	\$ -	\$ -	\$ (17,023)	\$ -	\$ -	\$ -	\$ 30,342
Receipts:										
Local sources	27,940	-	-	-	-	-	3,034	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	20,293	34,319	-	17,479	333,000	-	-	20,856
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	27,940	-	20,293	34,319	-	17,479	336,034	-	-	20,856
Disbursements:										
Instruction	-	-	7,746	30,382	-	456	332,793	-	-	-
Support services	-	-	6,292	4,532	-	-	1,203	-	-	5,359
Noninstructional services	13,465	-	-	-	-	-	330	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,465	-	14,038	34,914	-	456	334,326	-	-	5,359
Excess (deficiency) of receipts over disbursements	14,475	-	6,255	(595)	-	17,023	1,708	-	-	15,497
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(403)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(403)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,475	-	6,255	(595)	-	17,023	1,708	-	-	15,094
Cash and investments - ending	\$ 31,752	\$ -	\$ -	\$ (595)	\$ -	\$ -	\$ 1,708	\$ -	\$ -	\$ 45,436

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Imp Teach Qual Title IIA 11/12	Title IIA FY 12	Title IIA FY 13	Payroll Clearing	Cafeteria Clearing	Title III - Language Instruction	Title III 12/13	Title III English Prof Migrant	Title III 14/16	Totals
Cash and investments - beginning	\$ (2,635)	\$ -	\$ -	\$ 14,934	1,119	\$ -	\$ (10,760)	\$ -	\$ -	\$ 8,577,347
Receipts:										
Local sources	-	547	-	-	334,530	1,137	11,553	795	-	7,591,184
Intermediate sources	-	-	-	-	-	-	-	-	-	12
State sources	-	-	-	-	-	-	-	-	-	12,473,259
Federal sources	3,561	61,362	-	-	-	-	-	-	-	1,091,185
Other receipts	-	-	-	10,131,555	-	-	-	-	-	10,131,555
Total receipts	3,561	61,909	-	10,131,555	334,530	1,137	11,553	795	-	31,287,195
Disbursements:										
Instruction	-	37,082	-	-	-	1,137	420	-	-	9,441,577
Support services	926	25,164	-	-	-	-	374	795	-	6,439,147
Noninstructional services	-	-	-	-	-	-	-	-	-	1,315,768
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,550,976
Debt service	-	-	-	-	-	-	-	-	-	1,677,500
Nonprogrammed charges	-	-	-	10,123,834	334,434	-	-	-	-	10,497,646
Total disbursements	926	62,246	-	10,123,834	334,434	1,137	793	795	-	30,922,613
Excess (deficiency) of receipts over disbursements	2,635	(337)	-	7,721	96	-	10,760	-	-	364,582
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	10,947
Transfers in	-	-	-	-	-	-	-	-	-	424,186
Transfers out	-	-	-	-	-	-	-	-	-	(424,186)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	10,947
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,635	(337)	-	7,721	96	-	10,760	-	-	375,529
Cash and investments - ending	\$ -	\$ (337)	\$ -	\$ 22,655	\$ 1,215	\$ -	\$ -	\$ -	\$ -	\$ 8,952,876

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self-Insurance
Cash and investments - beginning	\$ 3,448,075	\$ 893,786	\$ 723,881	\$ 144,777	\$ 508,827	\$ 2,445,440	\$ 195,745	\$ 275,709	\$ 58,866	\$ 21,681
Receipts:										
Local sources	1,182,891	1,763,290	2,020,367	603,963	202,403	-	-	357,447	238,871	49,342
Intermediate sources	23	-	-	-	-	-	-	-	-	-
State sources	12,402,589	-	-	-	-	-	-	10,996	70,070	-
Federal sources	-	-	-	-	-	-	-	542,343	-	-
Other receipts	14,164	-	26,089	-	-	-	-	-	-	-
Total receipts	13,599,667	1,763,290	2,046,456	603,963	202,403	-	-	910,786	308,942	49,342
Disbursements:										
Instruction	8,780,824	-	-	-	-	-	-	-	-	-
Support services	4,299,774	-	1,057,877	432,976	402,132	1,750	-	-	367,808	-
Noninstructional services	302,101	-	-	-	-	-	-	1,020,595	-	-
Facilities acquisition and construction	-	-	691,864	-	-	1,535,681	-	-	-	-
Debt service	-	1,673,913	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	45,181
Total disbursements	13,382,699	1,673,913	1,749,741	432,976	402,132	1,537,431	-	1,020,595	367,808	45,181
Excess (deficiency) of receipts over disbursements	216,968	89,377	296,715	170,987	(199,729)	(1,537,431)	-	(109,809)	(58,866)	4,161
Other financing sources (uses):										
Sale of capital assets	-	-	23,365	-	-	-	-	-	-	-
Transfers in	7,084	-	-	-	-	900,000	1,509	-	-	-
Transfers out	(1,509)	-	(700,000)	(200,000)	-	-	-	-	-	-
Total other financing sources (uses)	5,575	-	(676,635)	(200,000)	-	900,000	1,509	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	222,543	89,377	(379,920)	(29,013)	(199,729)	(637,431)	1,509	(109,809)	(58,866)	4,161
Cash and investments - ending	\$ 3,670,618	\$ 983,163	\$ 343,961	\$ 115,764	\$ 309,098	\$ 1,808,009	\$ 197,254	\$ 165,900	\$ -	\$ 25,842

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

	Levy Excess	Plato Project	Project Lead the Way	Alternative To Suspension	Student Resource/ Homework Help	Athletic Trainer	City Grant Miscellaneous Items	One Community One Family	AHEC Grant - Biomed Costs	Dream It Do It - DCF
Cash and investments - beginning	\$ -	\$ (2,478)	\$ (8,920)	\$ (6,413)	\$ (4,144)	\$ (5,400)	\$ (16,960)	\$ 23,550	\$ 261	\$ 102
Receipts:										
Local sources	251	105,851	71,661	93,467	58,890	11,265	149,256	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	251	105,851	71,661	93,467	58,890	11,265	149,256	-	-	-
Disbursements:										
Instruction	-	104,709	71,204	98,346	-	-	-	-	-	-
Support services	-	-	-	-	61,985	5,865	132,296	6,636	-	102
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	104,709	71,204	98,346	61,985	5,865	132,296	6,636	-	102
Excess (deficiency) of receipts over disbursements	251	1,142	457	(4,879)	(3,095)	5,400	16,960	(6,636)	-	(102)
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	251	1,142	457	(4,879)	(3,095)	5,400	16,960	(6,636)	-	(102)
Cash and investments - ending	\$ 251	\$ (1,336)	\$ (8,463)	\$ (11,292)	\$ (7,239)	\$ -	\$ -	\$ 16,914	\$ 261	\$ -

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

	Wireless	Mojo shirt purchase	Local Tech Prep PLTW	Early College Program	Xmester Grant	Extra-Curricular Activities	Drivers Ed	Scholarships and Awards	Drug Free Communities	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ -	\$ 416	\$ 2,725	\$ 6,808	\$ (772)	\$ 22,341	\$ 101,479	\$ 28	\$ 1,945
Receipts:										
Local sources	-	159	-	101,915	-	20,444	28,453	1,221	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	5,183
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	159	-	101,915	-	20,444	28,453	1,221	-	5,183
Disbursements:										
Instruction	-	-	-	104,640	4,618	-	20,412	-	28	-
Support services	-	159	-	-	-	14,961	-	-	-	-
Noninstructional services	-	-	-	-	-	6,412	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	700	-	-
Total disbursements	-	159	-	104,640	4,618	21,373	20,412	700	28	-
Excess (deficiency) of receipts over disbursements	-	-	-	(2,725)	(4,618)	(929)	8,041	521	(28)	5,183
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(6,683)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(6,683)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(2,725)	(4,618)	(929)	8,041	521	(28)	(1,500)
Cash and investments - ending	\$ -	\$ -	\$ 416	\$ -	\$ 2,190	\$ (1,701)	\$ 30,382	\$ 102,000	\$ -	\$ 445

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

	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs 13/14	NESP	School Technology	Performance Based Awards	Perf Based Awards All Schools	Gifted and Talented	High Ability 13/14	High Ability 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ 1,126	\$ -	\$ 2,055	\$ -	\$ -	\$ -	\$ 16,506	\$ -
Receipts:										
Local sources	-	-	-	-	10,495	-	-	-	(500)	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	50,000	-	-	702	6,801	20,780	85,488	-	-	34,360
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	50,000	-	-	702	17,296	20,780	85,488	-	(500)	34,360
Disbursements:										
Instruction	-	-	1,126	260	-	20,780	82,501	-	16,007	18,133
Support services	50,000	-	-	-	19,351	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	50,000	-	1,126	260	19,351	20,780	82,501	-	16,006	18,133
Excess (deficiency) of receipts over disbursements	-	-	(1,126)	442	(2,055)	-	2,987	-	(16,506)	16,227
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,126)	442	(2,055)	-	2,987	-	(16,506)	16,227
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 442	\$ -	\$ -	\$ 2,987	\$ -	\$ -	\$ 16,227

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

	Latchkey	Title I Part D 11/12	Title I Part D 12/13	Title I Part D 2013/2014	Title I Part D SY 14/15	Title I 12/13	Title I 13/14	Title I 2014/2015	Nutritional Grant - State	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 31,752	\$ -	\$ -	\$ (595)	\$ -	\$ -	\$ 1,708	\$ -	\$ -	\$ 45,436
Receipts:										
Local sources	29,258	-	-	-	9	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	37	-	3,080	21,800	-	-	324,794	-	12,460
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	29,258	37	-	3,080	21,809	-	-	324,794	-	12,460
Disbursements:										
Instruction	-	-	-	2,498	19,213	-	1,711	323,176	-	-
Support services	-	37	-	(11)	2,721	-	-	1,426	-	2,635
Noninstructional services	18,264	-	-	-	-	-	-	192	3,398	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,264	37	-	2,485	21,934	-	1,708	324,794	3,398	2,635
Excess (deficiency) of receipts over disbursements	10,994	-	-	595	(125)	-	(1,708)	-	(3,398)	9,825
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(401)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(401)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,994	-	-	595	(125)	-	(1,708)	-	(3,398)	9,424
Cash and investments - ending	\$ 42,746	\$ -	\$ -	\$ -	\$ (125)	\$ -	\$ -	\$ -	\$ (3,398)	\$ 54,860

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

	Imp Teach Qual Title IIA 11/12	Title IIA FY 12	Title IIA FY 13	Payroll Clearing	Cafeteria Clearing	Title III - Language Instruction	Title III 12/13	Title III English Prof Migrant	Title III 14/16	Totals
Cash and investments - beginning	\$ -	\$ (337)	\$ -	\$ 22,655	1,215	\$ -	\$ -	\$ -	\$ -	\$ 8,952,876
Receipts:										
Local sources	-	-	-	-	352,690	-	299	17,435	93	7,471,186
Intermediate sources	-	-	-	-	-	-	-	-	-	23
State sources	-	-	-	-	-	-	-	-	-	12,686,969
Federal sources	-	12,319	64,631	-	-	-	-	-	-	981,464
Other receipts	-	-	-	11,071,507	-	-	-	-	-	11,111,760
Total receipts	-	12,319	64,631	11,071,507	352,690	-	299	17,435	93	32,251,403
Disbursements:										
Instruction	-	6,400	22,389	-	-	-	299	7,976	93	9,707,343
Support services	-	5,583	47,258	-	-	-	-	9,459	-	6,922,780
Noninstructional services	-	-	-	-	-	-	-	-	-	1,350,962
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	2,227,545
Debt service	-	-	-	-	-	-	-	-	-	1,673,913
Nonprogrammed charges	-	-	-	11,090,510	350,762	-	-	-	-	11,487,153
Total disbursements	-	11,982	69,647	11,090,510	350,762	-	299	17,435	93	33,369,689
Excess (deficiency) of receipts over disbursements	-	337	(5,016)	(19,003)	1,928	-	-	-	-	(1,118,286)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	23,365
Transfers in	-	-	-	-	-	-	-	-	-	908,593
Transfers out	-	-	-	-	-	-	-	-	-	(908,593)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	23,365
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	337	(5,016)	(19,003)	1,928	-	-	-	-	(1,094,921)
Cash and investments - ending	\$ -	\$ -	\$ (5,016)	\$ 3,652	\$ 3,143	\$ -	\$ -	\$ -	\$ -	\$ 7,857,955

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 710,108</u>	<u>\$ -</u>

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lawrenceburg High School Building Corporation	Lease for Term Loan with City of Lawrenceburg	\$ 977,000	12/31/2015	12/31/2023
Lawrenceburg School Building Corporation	First Mortgage Refunding Bonds Series 2007	<u>1,687,000</u>	3/1/2007	12/31/2026
Total governmental activities		<u>2,664,000</u>		
Total of annual lease payments		<u>\$ 2,664,000</u>		

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 476,000
Infrastructure	10
Buildings	59,022,368
Improvements other than buildings	3,113,968
Machinery, equipment, and vehicles	7,140,889
Construction in progress	13,985,000
Total governmental activities	83,738,235
Total capital assets	\$ 83,738,235

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the Lawrenceburg Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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 2015-004, 2015-005, 2015-007, and 2015-008. 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 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008, and 2015-009 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.

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

September 19, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program					
	Indiana Department of Education	10.553	14-1620	\$ 153,976	\$ -
			15-1620	-	140,236
				<u>153,976</u>	<u>140,236</u>
Total - School Breakfast Program					
National School Lunch Program					
	Indiana Department of Education	10.555		59,924	62,836
			14-1620	446,339	-
			15-1620	-	402,107
				<u>506,262</u>	<u>464,943</u>
Total - National School Lunch Program					
Total - Child Nutrition Cluster					
Total - Department of Agriculture					
<u>Department of Education</u>					
Title I Grants to Local Educational Agencies					
	Indiana Department of Education	84.010	12-1620	98,195	-
			13-1620	280,787	5,955
			14-1620	-	318,838
				<u>378,982</u>	<u>324,793</u>
Total - Title I, Part A					
Total - Title I Grants to Local Educational Agencies					
Title I State Agency Program for Neglected and Delinquent Children and Youth					
	Indiana Department of Education	84.013	Part D 13-1620	26,109	-
			Part D 14-1620	-	3,560
			Part D 15-1620	-	21,321
				<u>26,109</u>	<u>24,881</u>
Total - Title I, Part D					
Total - Title I State Agency Program for Neglected and Delinquent Children and Youth					

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
IDEA Part B Section 611			14213-052-PN01	335,389	87
IDEA Part B Section 612			14214-052-PN01	181,644	358,588
IDEA Part B Section 613			14215-052-PN01	-	239,886
Technical Assistance			99914-052-TA01	<u>963</u>	<u>6,434</u>
Total - Special Education_Grants to States				<u>517,996</u>	<u>604,995</u>
Special Education_Preschool Grants	Indiana Department of Education	84.173			
IDEA Part B Section 619			45713-052-PN01	20,949	-
IDEA Part B Section 619			45714-052-PN01	<u>7,125</u>	<u>27,726</u>
Total - Special Education_Preschool Grants				<u>28,074</u>	<u>27,726</u>
Total - Special Education Cluster (IDEA)				<u>546,070</u>	<u>632,721</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III			01112-107-PN01	1,137	-
Title III			01113-106-PN01	11,553	299
Title III			01114-099-PN01	795	17,435
Title III			01115-113-PN01	<u>-</u>	<u>93</u>
Total - English Language Acquisition State Grants				<u>13,485</u>	<u>17,827</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title IIA			11-1620	3,561	-
Title IIA			12-1620	61,362	12,319
Title IIA			13-1620	<u>-</u>	<u>64,631</u>
Total - Improving Teacher Quality State Grants				<u>64,923</u>	<u>76,950</u>
Total - Department of Education				<u>1,029,569</u>	<u>1,077,172</u>
Total federal awards expended				<u>\$ 1,689,807</u>	<u>\$ 1,682,351</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. 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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	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 (IDEA)

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

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

Section II - Financial Statement Findings

FINDING 2015-001

Subject: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding numbers were 2013-002 and 2013-003.

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

Condition

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

Context

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts. The Treasurer was primarily responsible for issuing receipts, posting receipts, and making bank deposits. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control.

Payroll: The School Corporation did not have a proper system of internal controls in place to ensure that all payroll disbursements were properly approved. The School Corporation's bi-weekly payroll, including the employee direct deposit report, net pay checks, and various payroll withholding remittances, was not submitted to the School Board for approval. Also, the biweekly transfer of funds from the School Corporation's general bank account to the payroll bank account for the gross payroll was not approved by the School Board.

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. . . ."

Cause

The School Corporation had not established a proper system of internal controls over financial transactions and reporting.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

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

Recommendation

We recommended the School Corporation's management establish controls, including segregation of duties, related to the financial transactions and reporting.

Views of Responsible Officials

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

FINDING 2015-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-001.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control. The lack of controls enabled material misstatement of the SEFA.

Context

The total federal awards expended were understated by \$10,037. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

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. . . ."

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

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

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

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

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

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended the School Corporation's management establish controls, including segregation of duties, related to the SEFA.

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

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 2015-003

Subject: Internal Controls over Child Nutrition Cluster
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 14-1620, 15-1620
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Cash Management,
Eligibility, Program Income, Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Cash Management, Eligibility, Program Income, and Reporting.

Activities Allowed or Unallowed

The School Corporation had not established a control to ensure funds were only expended for allowable activities of the program. There were no controls over payroll transactions and reporting.

Cash Management

The School Corporation had not established a control to ensure the food service balance (net cash resources) did not exceed the three months average expenditures.

Eligibility

The School Corporation had not established a control over the determination of eligibility for free and reduced price applications. One employee determined eligibility during the audit period without any compensating control.

Program Income

The School Corporation had not established a control over verifying the recording of daily cash receipts and corresponding deposits into the bank, including the determination and posting of program income. The School Corporation had not reviewed the daily recorded cash receipts for all school buildings to ensure all cash was deposited.

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

Reporting

The School Corporation had not established a control to verify the accuracy of reports submitted. The Food Service Director and Assistant Food Service Director prepared and submitted the School Food Authority (SFA) Verification Collection Reports, the Annual Financial Report, and the Sponsor Claims (claims for reimbursement) without any compensating controls.

Context

The lack of controls was a systemic problem. There were no documented internal controls for these compliance requirements 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. . . ."

Cause

The School Corporation had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

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

FINDING 2015-004

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 14-1620, 15-1620
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation was required to maintain Semi-Annual Certifications on all full and part time employees paid from the grant. There were no Semi-Annual Certifications maintained by the School Corporation for full or part time employees paid from the grant during the audit period.

Context

The lack of controls and noncompliance were systemic problems 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. . . ."

OMB Circular A-87, Attachment B, section 8h(3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles requirements outlined above.

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

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-005

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 14-1620, 15-1620
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. There were no controls to ensure vendors were not suspended or debarred from participation in federal programs.

The School Corporation did not comply with the Procurement and Suspension and Debarment requirements. They did not complete any of the possible actions to ensure that contractors procured were not suspended or debarred.

Context

This was a systemic problem. The School Corporation failed to comply with the Procurement and Suspension and Debarment compliance requirement throughout the audit period.

LAWRENCEBURG COMMUNITY 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 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish effective internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

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

FINDING 2015-006

Subject: Internal Controls over Title I Grants to Local Educational Agencies

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 12-1620, 13-1620, 14-1620

Pass Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Cash Management, Level of Effort,
Period of Performance, Reporting, Special Tests and Provisions -
Participation of Private School Children, Special Tests and Provisions -
Annual Report Card, High School Graduation Rate

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-005.

Condition

Management of the School Corporation had not established an effective internal control system related to the following compliance requirements: Activities Allowed or Unallowed, Cash Management, Level of Effort, Period of Performance, Reporting, Special Tests and Provisions - Participation of Private School Children, and Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

Context

Activities Allowed or Unallowed

One employee was responsible for preparing and submitting reimbursement requests. There was no control in place to ensure only allowable activities were reimbursed.

Cash Management

One employee was responsible for preparing and submitting reimbursement requests. There was no control in place to ensure the unit only requested reimbursement for costs the unit had incurred prior to submission of the reimbursement request.

Period of Performance

One employee was responsible for preparing and submitting reimbursement requests. There was no control in place to ensure the costs being reimbursed were within the period of performance.

Level of Effort

The School Corporation had not implemented a procedure to ensure the level of effort calculation was accurate.

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

Reporting

One employee was responsible for preparing and submitting required reports. There was no control in place to ensure reports were accurate prior to submission.

Special Tests and Provisions - Participation of Private School Children

The School Corporation had not implemented a procedure to ensure the reimbursement request from the private school was consistent with the grant budget and expenditure requirements.

Special Tests and Provisions - Annual Report Card, High School Graduation Rate

One employee was responsible for preparing and submitting required reports. There was no control in place to ensure reports were accurate prior to submission.

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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions related to the compliance requirements mentioned under *Context* above.

Effect

The failure to an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

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

FINDING 2015-007

Subject: Title I Grants to Local Educational Agencies - Eligibility
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 12-1620, 13-1620, 14-1620
Pass Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

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

Context

The School Corporation did not retain supporting documentation for the non-public enrollment and public poverty data within the Eligible School Summary Reports in the Title I grant applications for fiscal years 2014 and 2015.

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. . . ."

34 CFR 74.53(b) states in part:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report . . ."

Cause

The School Corporation had not developed a system of internal controls to provide oversight of the calculation of eligibility.

Effect

The failure to establish internal controls 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.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended the School Corporation's management begin keeping supporting documentation on file to support the figures represented in the Eligible School Summary Report.

Views of Responsible Officials

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

FINDING 2015-008

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 12-1620, 13-1620, 14-1620
Pass Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior year.

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 did not maintain Semi-Annual Certifications.

Context

The lack of controls and failure to maintain semiannual certifications were systemic problems throughout 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. . . ."

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

OMB Circular A-87, Attachment B, section 8h(3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

Cause

Management had not developed a system of internal controls that segregated key functions related to the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish internal controls 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.

Recommendation

We recommended the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and comply with the compliance requirement listed above.

Views of Responsible Officials

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

FINDING 2015-009

Subject: Special Education Cluster (IDEA) - Cash Management and Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-052-PN01, 14214-052-PN01,
99914-052-TA01, 14215-052-PN01,
45714-052-PN01, 45713-052-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-006.

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

Condition

Management of the School Corporation had not established an effective internal control system related to the Cash Management and Reporting compliance requirements.

Cash Management

The School Corporation designated a Fiscal Agent to receive and manage the Special Education programs. Management of the School Corporation had not implemented controls over the Fiscal Agent related to the Cash Management compliance requirement. Reimbursement requests were prepared by the Fiscal Agent's Treasurer. There was no control in place to ensure expenditures were paid prior to requesting reimbursement.

Reporting

The School Corporation designated a Fiscal Agent to manage the Special Education programs. Management of the School Corporation had not implemented controls over the Fiscal Agent related to the Reporting compliance requirement. Grant reports were prepared and submitted by the Fiscal Agent's Treasurer. There was no control in place to ensure the reports were accurate prior to submission.

Context

The lack of controls over the above-listed requirements was a systemic problem throughout 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. . . ."

Cause

Management had not developed a system of internal controls that would have provided oversight of duties performed by the Fiscal Agent to ensure compliance with the compliance requirements listed above.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. The lack of controls could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Fiscal year in which the finding initially occurred: 2013
Federal Grantor Agency: Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

These special education grants have been included in all subsequent SEFA reports.

Completion Date: 8/28/2014 (date SEFA originally submitted for the 2013/2014 school year) In addition, beginning with the 2016/2017 SEFA, the superintendent reviews the SEFA report prior to submittal through Gateway.

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

Fiscal year in which the finding initially occurred: 2013
Federal Grantor Agency: Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

Cash and checks received are recorded on Form 517 by someone other than the person who reconciles the related bank account. Executive Secretary signs off on bank statements as they are received to ensure originals are used for reconciliations. Receipts of funds through ACH may be recorded by the person who has notice of those ACH transactions. We have separated incompatible activities related to receipts and payroll and related liabilities.

Completion Date: April 1, 2014

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

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

Fiscal year in which the finding initially occurred: 2013
Federal Grantor Agency: Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

Payroll transactions are reviewed in detail by someone other than the Deputy Treasurer, who is responsible for processing payroll. Payroll claims are approved by the Board of School Trustees as part of the claims

approval process at regular board meetings. We have separated incompatible activities related to receipts and payroll and related liabilities.

Completion Date: April 14, 2014

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

Fiscal year in which the finding initially occurred: 2013
Federal Grantor Agency: Department of Education, Education Jobs Fund
Pass-through entity: Indiana Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

A report on grant activity is distributed each month to the grant writer, the grant administrators, and the superintendent for review. The grant writer signs off on the report and returns to the Treasurer to indicate that reported activity is as expected and, if not, the grant writer, administrator, and Treasurer review and correct any identified issues. Our Deputy Treasurer also reviews whether employees are being charged to the appropriate accounts. This process is used for all state, federal, and local grants.

Education Jobs Fund was complete before we received this report; no corrective action was taken specifically for the Education Jobs Fund.

Completion Date: March 31, 2014

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

Fiscal year in which finding initially occurred: 2013
Federal Grantor Agency: Department of Education, Title I
Pass-through entity: Indiana Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

A report on grant activity is distributed each month to the grant writer, the grant administrators, and the superintendent for review. The grant writer signs off on the report and returns to the Treasurer to indicate that reported activity is as expected and, if not, the grant writer, administrator, and Treasurer review and correct any identified issues. Our Deputy Treasurer also questions whether employees are being charged to the appropriate accounts. This process is used for all state, federal, and local grants.

The superintendent signs off on all federal grant reimbursement requests.

We have developed and use a list of activities and internal control procedures for all activities. (copy attached)

We have also calculated Title I Level of Effort as required for the years beginning 2013/2014.

Completion Date: March 31, 2014

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

Fiscal year in which finding initially occurred: 2013
Federal Grantor Agency: Department of Education, Special Education
Pass-through agency: Indiana Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

Superintendents review and sign a form at the monthly Ripley-Ohio-Dearborn special education cooperative board meetings that details each fund along with fund balance, date of availability, cash balance and other reporting information. Copies of all grant applications, revisions, reimbursement requests and final reports are received and filed locally.

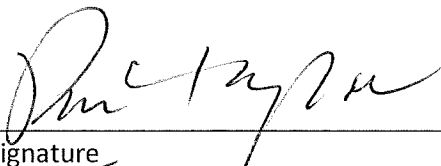
Completion Date: August 2016


FINDING 2013-007 – Special Tests and Provisions

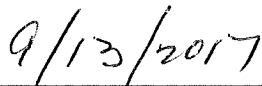
Fiscal year in which finding initially occurred: 2013
Federal Grantor Agency: Department of Education
Pass-through entity: Indiana Department of Education
Contact Person: Pam Taylor
Title: Business Manager/Treasurer
Phone Number: 812-537-7202

Controls established.

Completion Date: March 31, 2014



Signature


Title


Date

LAWRENCEBURG COMMUNITY SCHOOLS

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CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Pam Taylor
Contact Phone Number: 812-537-7202

Cash and checks received are recorded on form 517 by someone other than the person who reconciles the related bank account. Executive Secretary signs off on bank statements as they are received to ensure originals are used for reconciliations. Receipts of funds through ACH may be recorded by the person who has notice of those ACH transactions. We have separated incompatible activities related to receipts and payroll and related liabilities. Payroll is submitted for School Board approval.

Completion Date: April 1, 2014

FINDING 2015-002

Contact Person Responsible for Corrective Action: Pam Taylor
Contact Phone Number: 812-537-7202

These special education grants have been included in all subsequent SEFA reports. Some information is provided by ROD; we have to rely on the accuracy of that information.

Completion Date: August 28, 2014 when 2013/2014 SEFA was submitted. Superintendent will review SEFA reports before submittal beginning with 2016/2017 report.

FINDING 2015-003

Contact Person Responsible for Corrective Action: Pam Taylor
Contact Phone Number: 812-537-7202

Payroll is approved by School Board. Food service balance is reviewed monthly at the School Board meeting on the fund report. Free and reduced applications are randomly reviewed once each year to provide oversight of the eligibility determination process. Three internal and one external persons verify daily cash receipts and deposits into the bank. Program income is posted as the funds are deposited to the school corporation's food service account and adjusted at quarter end for unearned income. All reports submitted will be reviewed by at least one other person; this will have to happen after submittal since these are completed online.

Completion Date: These findings have been corrected at different times; a single date is not applicable.

FINDING 2015-004

Contact Person Responsible for Corrective Action: Pam Taylor

Contact Phone Number: 812-537-7202

Employees in food service complete timesheets for every pay period, which should certainly qualify as time and effort logs. These documents are signed by the cafeteria manager and the building principal. If additional paperwork is required, we will also complete a semi-annual certification form for all food service employees paid from the grant.

Completion Date: October 31, 2017

FINDING 2015-005

Contact Person Responsible for Corrective Action: Pam Taylor

Contact Phone Number: 812-537-7202

We will check SAMS for the vendors we are using to ensure they are not suspended or debarred.

Completion Date: October 31, 2017

FINDING 2015-006

Contact Person Responsible for Corrective Action: Pam Taylor

Contact Phone Number: 812-537-7202

We have established separation of duties and approval processes for everyday operations and for monthly reimbursement requests. We will ensure every report or document submitted is reviewed by at least two people and that the review is documented. We will document any conversations with the non-public school.

Completion Date: Repeat portion, March, 2014. New findings – October 31, 2017

FINDING 2015-007

Contact Person Responsible for Corrective Action: Pam Taylor

Contact Phone Number: 812-537-7202

We will document conversations with the non-public schools.

Completion Date: October 31, 2017

FINDING 2015-008

Contact Person Responsible for Corrective Action: Pam Taylor

Contact Phone Number: 812-537-7202

Our Title I desktop monitoring process identified the requirement to complete the semi-annual certifications for Title I employees; we are doing that now.

Completion Date: August, 2017

FINDING 2015-009

Contact Person Responsible for Corrective Action: Pam Taylor

Contact Phone Number: 812-537-7202

Superintendents review and sign a form at the monthly ROD board meetings that details each fund along with fund balance, date of availability, cash balance and other reporting information. Copies of all grant applications, revisions, reimbursement requests and final reports are received and filed locally.

Completed: August 2016

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/>.