

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH LAWRENCE COMMUNITY SCHOOLS
LAWRENCE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
09/29/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-41
Schedule of Payables and Receivables	43
Schedule of Leases and Debt	44
Schedule of Capital Assets.....	45
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	48-50
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	52-53
Notes to Schedule of Expenditures of Federal Awards	54
Schedule of Findings and Questioned Costs	55-60
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	62
Corrective Action Plan	63-64
Other Reports.....	65

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michele Cox Corbin E. Dietrich	07-01-14 to 06-30-15 07-01-15 to 06-30-18
Superintendent of Schools	Dr. Dennis D. Turner Gary D. Conner	07-01-14 to 06-30-15 07-01-15 to 06-30-18
President of the School Board	Larry Arnold Kirsten N. Collier	07-01-14 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTH LAWRENCE COMMUNITY
SCHOOLS, LAWRENCE COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 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 25, 2017



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON 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 NORTH LAWRENCE COMMUNITY
SCHOOLS, LAWRENCE 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 North Lawrence Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 25, 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 item 2016-001 to be a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2016-001.

North Lawrence Community Schools' 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 25, 2017

(This page intentionally left blank.)

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.

NORTH LAWRENCE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 120,862	\$ 32,822,394	\$ 31,940,176	\$ 4,183	\$ 1,007,263	\$ 33,039,400	\$ 31,159,440	\$ 9,982	\$ 2,897,205
Debt Service	2,734,946	4,207,213	4,254,481	-	2,687,678	4,092,693	4,452,280	-	2,328,091
Retirement/Severance Bond Debt Service	385,906	907,779	865,853	-	427,832	571,545	836,416	-	162,961
Capital Projects	2,106,646	3,122,816	3,613,062	-	1,616,400	3,487,404	3,225,386	(421,240)	1,457,178
School Transportation	3,428,000	3,481,251	2,927,183	(1,500,000)	2,482,068	3,969,259	2,882,907	(999,355)	2,569,065
School Bus Replacement	560,984	132,332	193,358	-	499,958	-	212,754	-	287,204
Rainy Day	1,104,828	-	71,737	1,500,000	2,533,091	86,207	206,643	955,000	3,367,655
Retirement/Severance Bond	511,087	1,705	-	-	512,792	728	-	-	513,520
Construction Series 2015	-	-	-	-	-	-	84,654	1,400,000	1,315,346
School Lunch	459,094	2,577,738	2,516,366	141	520,607	2,636,085	2,446,682	-	710,010
Textbook Rental	716,412	704,357	448,859	-	971,910	729,338	465,847	-	1,235,401
Self-Insurance	766,746	4,244,682	4,562,263	-	449,165	4,324,552	4,454,078	-	319,639
Levy Excess	-	645	-	-	645	-	-	(645)	-
Joint Services and Supply - Special Education Cooperative	56,350	1,406,585	1,414,920	-	48,015	1,393,492	1,428,850	-	12,657
Joint Services and Supply - Area Vocational School	10,295	1,475,804	1,486,099	-	-	855,324	1,367,429	545,000	32,895
Alternative Education	45,977	5,427	-	-	51,404	-	-	-	51,404
SAFE School Haven	-	7,727	11,000	-	(3,273)	3,273	-	-	-
SAFE School Haven 15/16	-	-	-	-	-	11,096	14,600	-	(3,504)
Early Intervention Grant 14/15	-	57,186	28,974	-	28,212	32,760	60,972	-	-
Early Intervention Grant	-	-	-	-	-	-	19,860	-	(19,860)
Donations, Gifts and Trusts	1,443	10,212	3,620	-	8,035	2,094	5,897	-	4,232
SP - Energy Safe Kids	-	80	80	-	-	-	-	-	-
Duke Energy Grant	-	34,856	-	-	34,856	13,372	30,691	-	17,537
Transcanada	-	980,000	-	-	980,000	-	-	-	980,000
GM Class	-	-	-	-	-	960	960	-	-
Bedford Lions Club	-	-	-	-	-	100	100	-	-
IU Health	-	-	-	-	-	450	445	-	5
Raymond Foundation	-	-	-	-	-	4,500	-	-	4,500
Knights of Columbus	-	12,231	8,851	-	3,380	13,000	14,322	-	2,058
Robotics	-	-	-	-	-	659	659	-	-
Music	-	-	-	-	-	300	290	-	10
Englewood PTO	-	-	-	-	-	4,767	28	-	4,739
JS Donations	-	-	-	-	-	100	-	-	100
Wetlands Donation	3,454	-	-	-	3,454	-	-	-	3,454
Community Reading Project	1,008	4,170	1,632	-	3,546	1,175	2,061	-	2,660
Hutton Library Books	593	-	-	-	593	-	-	-	593
Extra-Curricular Activities	3,531	-	324	-	3,207	-	300	-	2,907
Cultural Arts	7,016	4,148	5,172	-	5,992	8,302	7,732	-	6,562
Bloomington Arts Council	135	-	-	-	135	-	-	-	135
Scholarships and Awards	99,253	88,587	114,003	-	73,837	-	8,000	-	65,837

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

NORTH LAWRENCE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016
(Continued)

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
Special Track and Field	-	8,117	-	-	8,117	7,637	7,369	-	8,385
Pritchett Donation NLCC	3,265	-	255	-	3,010	-	325	-	2,685
Pritchett Donation Building	2	-	-	-	2	-	-	-	2
Instruction Support	17,162	-	1,272	-	15,890	-	15,890	-	-
Gifted & Talented 14/15	2,060	46,752	47,029	-	1,783	-	1,783	-	-
Gifted & Talented 15/16	-	-	-	-	-	47,053	43,488	-	3,565
Secured Schools Safety Grant	-	-	-	-	-	17,878	17,878	-	-
School Technology	246,895	118,384	156,368	-	208,911	120,363	294,100	-	35,174
Performance Based Awards	-	37,405	37,405	-	-	96,503	96,503	-	-
Miscellaneous Programs	(789)	4,772	5,318	-	(1,335)	1,007	1,422	-	(1,750)
Innovative School Improvement Grant	-	24,222	26,700	-	(2,478)	88,496	86,018	-	-
Senator David Ford Technology	-	-	5,000	-	(5,000)	30,000	25,000	-	-
ECIA Title I P.L. 107-110 FY 12/13	2,233	-	-	-	2,233	-	-	-	2,233
ECIA Title I P.L. 107-110 FY 13/14	(46,515)	167,984	121,469	-	-	-	1,363	-	(1,363)
ECIA Title I P.L. 107-110 FY 14/15	-	721,626	807,483	-	(85,857)	218,811	132,954	-	-
ECIA Title I P.L. 107-110 FY 15/16	-	-	-	-	-	676,156	758,257	-	(82,101)
School Improvement Grant	-	-	-	-	-	1,500	1,500	-	-
IDEA, Part B P.L. 105-17 FY 12/13	(13,608)	458,336	444,728	-	-	-	-	-	-
IDEA, Part B P.L. 105-17 FY 13/14	(141,026)	701,993	575,259	-	(14,292)	465,868	451,576	-	-
IDEA, Part B P.L. 105-17 FY 14/15	-	1,422,372	1,569,749	-	(147,377)	698,091	572,489	-	(21,775)
IDEA, Part B P.L. 105-17 FY 15/16	-	-	-	-	-	1,360,522	1,512,787	-	(152,265)
Preschool Handicap P.L. 99-457 FY 12/13	(5,468)	5,468	-	-	-	-	-	-	-
Preschool Handicap P.L. 99-457 FY 13/14	3,035	28,474	31,509	-	-	-	-	-	-
Preschool Handicap P.L. 99-457 FY 14/15	-	62,679	70,017	-	(7,338)	40,973	33,635	-	-
Preschool Handicap P.L. 99-457 FY 15/16	-	-	-	-	-	53,295	60,231	-	(6,936)
Vocational & Technology Board Grants FY 13/14	(26,094)	56,887	30,793	-	-	-	-	-	-
Vocational & Technology Board Grants FY 14/15	-	93,791	116,887	-	(23,096)	42,269	19,173	-	-
Vocational & Technology Board Grants FY 15/16	-	-	-	-	-	96,741	106,443	-	(9,702)
Rural Perkins	-	-	-	-	-	99,953	99,953	-	-
Rural Perkins 15-16	-	-	-	-	-	90,337	90,337	-	-
SIEC Federal Grant	(2,038)	328	-	-	(1,710)	-	-	-	(1,710)
Improving Teaching Quality, No Child Left, Title II, Part A FY2013	(37,988)	119,626	82,415	-	(777)	1,216	437	-	2
Improving Teaching Quality, No Child Left, Title II, Part A FY2014	-	73,737	87,070	-	(13,333)	83,742	72,193	-	(1,784)
Improving Teaching Quality, No Child Left, Title II, Part A FY2015	-	-	-	-	-	82,810	92,973	-	(10,163)
ITQ, Enhanced Education Through Technology, Title II, Part D	308	-	-	-	308	-	-	-	308
Payroll Clearing Accounts	160,754	9,691,512	9,701,275	-	150,991	9,397,483	9,397,608	-	150,866
Prepaid Lunch Trust	19,076	-	2,425	-	16,651	-	10,281	-	6,370
BNLHS Scholarships	-	165,037	165,037	-	-	73,000	73,000	-	-
Totals	\$ 13,305,830	\$ 70,299,427	\$ 68,553,476	\$ 4,324	\$ 15,056,105	\$ 69,174,639	\$ 67,467,249	\$ 1,488,742	\$ 18,252,237

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

NORTH LAWRENCE COMMUNITY SCHOOLS
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.

NORTH LAWRENCE COMMUNITY SCHOOLS
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.

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

Other receipts. 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.

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

NORTH LAWRENCE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

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

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

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NORTH LAWRENCE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

NORTH LAWRENCE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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 set up as reimbursable grants and activities. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 or 2016 as applicable.

NORTH LAWRENCE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into capital leases with North Lawrence School Improvement 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 2015 and 2016 totaled \$3,663,591 and \$3,938,610, respectively.

(This page intentionally left blank.)

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.

NORTH LAWRENCE COMMUNITY SCHOOLS
 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 120,862	\$ 2,734,946	\$ 385,906	\$ 2,106,646	\$ 3,428,000	\$ 560,984	\$ 1,104,828	\$ 511,087
Receipts:								
Local sources	515,366	4,207,213	907,779	3,122,816	3,450,154	124,981	-	1,705
Intermediate sources	28	-	-	-	-	-	-	-
State sources	32,299,905	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	7,095	-	-	-	31,097	7,351	-	-
Total receipts	<u>32,822,394</u>	<u>4,207,213</u>	<u>907,779</u>	<u>3,122,816</u>	<u>3,481,251</u>	<u>132,332</u>	<u>-</u>	<u>1,705</u>
Disbursements:								
Instruction	22,531,644	-	-	-	-	-	-	-
Support services	9,123,583	-	-	1,718,458	2,927,183	193,358	71,737	-
Noninstructional services	284,949	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	856,938	-	-	-	-
Debt service	-	4,254,481	865,853	1,037,666	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>31,940,176</u>	<u>4,254,481</u>	<u>865,853</u>	<u>3,613,062</u>	<u>2,927,183</u>	<u>193,358</u>	<u>71,737</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>882,218</u>	<u>(47,268)</u>	<u>41,926</u>	<u>(490,246)</u>	<u>554,068</u>	<u>(61,026)</u>	<u>(71,737)</u>	<u>1,705</u>
Other financing sources (uses):								
Sale of capital assets	4,183	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,500,000	-
Transfers out	-	-	-	-	(1,500,000)	-	-	-
Total other financing sources (uses)	<u>4,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>886,401</u>	<u>(47,268)</u>	<u>41,926</u>	<u>(490,246)</u>	<u>(945,932)</u>	<u>(61,026)</u>	<u>1,428,263</u>	<u>1,705</u>
Cash and investments - ending	\$ 1,007,263	\$ 2,687,678	\$ 427,832	\$ 1,616,400	\$ 2,482,068	\$ 499,958	\$ 2,533,091	\$ 512,792

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

	Construction Series 2015	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - Area Vocational School	Alternative Education
Cash and investments - beginning	\$ -	\$ 459,094	\$ 716,412	\$ 766,746	\$ -	\$ 56,350	\$ 10,295	\$ 45,977
Receipts:								
Local sources	-	1,085,005	509,676	2,398,146	645	1,405,277	1,475,458	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	25,097	194,681	-	-	-	-	5,427
Federal sources	-	1,451,858	-	-	-	-	-	-
Other receipts	-	15,778	-	1,846,536	-	1,308	346	-
Total receipts	-	2,577,738	704,357	4,244,682	645	1,406,585	1,475,804	5,427
Disbursements:								
Instruction	-	-	-	-	-	360,679	1,229,343	-
Support services	-	1,350	448,859	-	-	1,043,241	256,756	-
Noninstructional services	-	2,382,515	-	-	-	-	-	-
Facilities acquisition and construction	-	132,501	-	-	-	11,000	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	4,562,263	-	-	-	-
Total disbursements	-	2,516,366	448,859	4,562,263	-	1,414,920	1,486,099	-
Excess (deficiency) of receipts over disbursements	-	61,372	255,498	(317,581)	645	(8,335)	(10,295)	5,427
Other financing sources (uses):								
Sale of capital assets	-	141	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	141	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	61,513	255,498	(317,581)	645	(8,335)	(10,295)	5,427
Cash and investments - ending	\$ -	\$ 520,607	\$ 971,910	\$ 449,165	\$ 645	\$ 48,015	\$ -	\$ 51,404

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

	SAFE School Haven	SAFE School Haven 15/16	Early Intervention Grant 14/15	Early Intervention Grant	Donations, Gifts and Trusts	SP - Energy Safe Kids	Duke Energy Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,443	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	10,212	80	34,856
Intermediate sources	-	-	-	-	-	-	-
State sources	7,727	-	57,186	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>7,727</u>	<u>-</u>	<u>57,186</u>	<u>-</u>	<u>10,212</u>	<u>80</u>	<u>34,856</u>
Disbursements:							
Instruction	-	-	-	-	3,102	80	-
Support services	11,000	-	28,974	-	-	-	-
Noninstructional services	-	-	-	-	518	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,000</u>	<u>-</u>	<u>28,974</u>	<u>-</u>	<u>3,620</u>	<u>80</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,273)</u>	<u>-</u>	<u>28,212</u>	<u>-</u>	<u>6,592</u>	<u>-</u>	<u>34,856</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,273)</u>	<u>-</u>	<u>28,212</u>	<u>-</u>	<u>6,592</u>	<u>-</u>	<u>34,856</u>
Cash and investments - ending	<u>\$ (3,273)</u>	<u>\$ -</u>	<u>\$ 28,212</u>	<u>\$ -</u>	<u>\$ 8,035</u>	<u>\$ -</u>	<u>\$ 34,856</u>

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

	Transcanada	GM Class	Bedford Lions Club	IU Health	Raymond Foundation	Knights of Columbus	Robotics
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	980,000	-	-	-	-	12,231	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,231</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	8,851	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,851</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,380</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,380</u>	<u>-</u>
Cash and investments - ending	<u>\$ 980,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ -</u>

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

	Music	Englewood PTO	JS Donations	Wetlands Donation	Community Reading Project	Hutton Library Books	Extra- Curricular Activities
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,454	\$ 1,008	\$ 593	\$ 3,531
Receipts:							
Local sources	-	-	-	-	4,170	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	4,170	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	1,632	-	-
Noninstructional services	-	-	-	-	-	-	324
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,632	-	324
Excess (deficiency) of receipts over disbursements	-	-	-	-	2,538	-	(324)
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	-	-	-	-	2,538	-	(324)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 3,454	\$ 3,546	\$ 593	\$ 3,207

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

	Cultural Arts	Bloomington Arts Council	Scholarships and Awards	Special Track and Field	Pritchett Donation NLCC	Pritchett Donation Building	Instruction Support
Cash and investments - beginning	\$ 7,016	\$ 135	\$ 99,253	\$ -	\$ 3,265	\$ 2	\$ 17,162
Receipts:							
Local sources	4,148	-	88,587	8,117	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>4,148</u>	<u>-</u>	<u>88,587</u>	<u>8,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	5,172	-	-	-	-	-	1,272
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	255	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	114,003	-	-	-	-
Total disbursements	<u>5,172</u>	<u>-</u>	<u>114,003</u>	<u>-</u>	<u>255</u>	<u>-</u>	<u>1,272</u>
Excess (deficiency) of receipts over disbursements	<u>(1,024)</u>	<u>-</u>	<u>(25,416)</u>	<u>8,117</u>	<u>(255)</u>	<u>-</u>	<u>(1,272)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,024)</u>	<u>-</u>	<u>(25,416)</u>	<u>8,117</u>	<u>(255)</u>	<u>-</u>	<u>(1,272)</u>
Cash and investments - ending	<u>\$ 5,992</u>	<u>\$ 135</u>	<u>\$ 73,837</u>	<u>\$ 8,117</u>	<u>\$ 3,010</u>	<u>\$ 2</u>	<u>\$ 15,890</u>

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

	Gifted & Talented 14/15	Gifted & Talented 15/16	Secured Schools Safety Grant	School Technology	Performance Based Awards	Miscellaneous Programs	Innovative School Improvement Grant
Cash and investments - beginning	\$ 2,060	\$ -	\$ -	\$ 246,895	\$ -	\$ (789)	\$ -
Receipts:							
Local sources	-	-	-	113,845	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	46,752	-	-	4,539	37,405	-	24,222
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	4,772	-
Total receipts	<u>46,752</u>	<u>-</u>	<u>-</u>	<u>118,384</u>	<u>37,405</u>	<u>4,772</u>	<u>24,222</u>
Disbursements:							
Instruction	47,029	-	-	-	35,557	3,372	-
Support services	-	-	-	25,270	1,848	1,946	26,700
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	131,098	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>47,029</u>	<u>-</u>	<u>-</u>	<u>156,368</u>	<u>37,405</u>	<u>5,318</u>	<u>26,700</u>
Excess (deficiency) of receipts over disbursements	<u>(277)</u>	<u>-</u>	<u>-</u>	<u>(37,984)</u>	<u>-</u>	<u>(546)</u>	<u>(2,478)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(277)</u>	<u>-</u>	<u>-</u>	<u>(37,984)</u>	<u>-</u>	<u>(546)</u>	<u>(2,478)</u>
Cash and investments - ending	<u>\$ 1,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,911</u>	<u>\$ -</u>	<u>\$ (1,335)</u>	<u>\$ (2,478)</u>

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

	Senator David Ford Technology	ECIA Title I P.L. 107-110 FY 12/13	ECIA Title I P.L. 107-110 FY 13/14	ECIA Title I P.L. 107-110 FY 14/15	ECIA Title I P.L. 107-110 FY 15/16	School Improvement Grant	IDEA, Part B P.L. 105-17 FY 12/13
Cash and investments - beginning	\$ -	\$ 2,233	\$ (46,515)	\$ -	\$ -	\$ -	\$ (13,608)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	167,984	721,626	-	-	458,336
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>167,984</u>	<u>721,626</u>	<u>-</u>	<u>-</u>	<u>458,336</u>
Disbursements:							
Instruction	-	-	86,577	756,578	-	-	443,529
Support services	5,000	-	32,639	43,107	-	-	1,199
Noninstructional services	-	-	2,253	7,798	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>5,000</u>	<u>-</u>	<u>121,469</u>	<u>807,483</u>	<u>-</u>	<u>-</u>	<u>444,728</u>
Excess (deficiency) of receipts over disbursements	<u>(5,000)</u>	<u>-</u>	<u>46,515</u>	<u>(85,857)</u>	<u>-</u>	<u>-</u>	<u>13,608</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,000)</u>	<u>-</u>	<u>46,515</u>	<u>(85,857)</u>	<u>-</u>	<u>-</u>	<u>13,608</u>
Cash and investments - ending	<u>\$ (5,000)</u>	<u>\$ 2,233</u>	<u>\$ -</u>	<u>\$ (85,857)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	IDEA, Part B P.L. 105-17 FY 13/14	IDEA, Part B P.L. 105-17 FY 14/15	IDEA, Part B P.L. 105-17 FY 15/16	Preschool Handicap P.L. 99-457 FY 12/13	Preschool Handicap P.L. 99-457 FY 13/14	Preschool Handicap P.L. 99-457 FY 14/15	Preschool Handicap P.L. 99-457 FY 15/16
Cash and investments - beginning	\$ (141,026)	\$ -	\$ -	\$ (5,468)	\$ 3,035	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	701,993	1,422,221	-	5,468	28,474	62,679	-
Other receipts	-	151	-	-	-	-	-
Total receipts	<u>701,993</u>	<u>1,422,372</u>	<u>-</u>	<u>5,468</u>	<u>28,474</u>	<u>62,679</u>	<u>-</u>
Disbursements:							
Instruction	406,363	1,247,386	-	-	21,597	48,168	-
Support services	168,896	322,363	-	-	9,912	21,849	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>575,259</u>	<u>1,569,749</u>	<u>-</u>	<u>-</u>	<u>31,509</u>	<u>70,017</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>126,734</u>	<u>(147,377)</u>	<u>-</u>	<u>5,468</u>	<u>(3,035)</u>	<u>(7,338)</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>126,734</u>	<u>(147,377)</u>	<u>-</u>	<u>5,468</u>	<u>(3,035)</u>	<u>(7,338)</u>	<u>-</u>
Cash and investments - ending	\$ <u>(14,292)</u>	\$ <u>(147,377)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(7,338)</u>	\$ <u>-</u>

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

	Vocational & Technology Board Grants FY 13/14	Vocational & Technology Board Grants FY 14/15	Vocational & Technology Board Grants FY 15/16	Rural Perkins	Rural Perkins 15-16	SIEC Federal Grant	Improving Teaching Quality, No Child Left, Title II, Part A FY2013
Cash and investments - beginning	\$ (26,094)	\$ -	\$ -	\$ -	\$ -	\$ (2,038)	\$ (37,988)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	56,887	93,791	-	-	-	-	119,626
Other receipts	-	-	-	-	-	328	-
Total receipts	56,887	93,791	-	-	-	328	119,626
Disbursements:							
Instruction	-	30,114	-	-	-	-	20,878
Support services	30,793	86,773	-	-	-	-	61,537
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	30,793	116,887	-	-	-	-	82,415
Excess (deficiency) of receipts over disbursements	26,094	(23,096)	-	-	-	328	37,211
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	26,094	(23,096)	-	-	-	328	37,211
Cash and investments - ending	\$ -	\$ (23,096)	\$ -	\$ -	\$ -	\$ (1,710)	\$ (777)

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

	Improving Teaching Quality, No Child Left, Title II, Part A FY2014	Improving Teaching Quality, No Child Left, Title II, Part A FY2015	ITQ, Enhanced Education Through Technology, Title II, Part D	Payroll Clearing Accounts	Prepaid Lunch Trust	BNLHS Scholarships	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 308	\$ 160,754	\$ 19,076	\$ -	\$ 13,305,830
Receipts:							
Local sources	-	-	-	-	-	-	20,460,467
Intermediate sources	-	-	-	-	-	-	28
State sources	-	-	-	-	-	-	32,702,941
Federal sources	73,737	-	-	-	-	-	5,364,680
Other receipts	-	-	-	9,691,512	-	165,037	11,771,311
Total receipts	73,737	-	-	9,691,512	-	165,037	70,299,427
Disbursements:							
Instruction	73,064	-	-	-	-	-	27,345,060
Support services	14,006	-	-	-	-	-	16,686,413
Noninstructional services	-	-	-	-	-	-	2,678,357
Facilities acquisition and construction	-	-	-	-	-	-	1,140,643
Debt service	-	-	-	-	-	-	6,158,000
Nonprogrammed charges	-	-	-	9,701,275	2,425	165,037	14,545,003
Total disbursements	87,070	-	-	9,701,275	2,425	165,037	68,553,476
Excess (deficiency) of receipts over disbursements	(13,333)	-	-	(9,763)	(2,425)	-	1,745,951
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	4,324
Transfers in	-	-	-	-	-	-	1,500,000
Transfers out	-	-	-	-	-	-	(1,500,000)
Total other financing sources (uses)	-	-	-	-	-	-	4,324
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,333)	-	-	(9,763)	(2,425)	-	1,750,275
Cash and investments - ending	\$ (13,333)	\$ -	\$ 308	\$ 150,991	\$ 16,651	\$ -	\$ 15,056,105

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,007,263	\$ 2,687,678	\$ 427,832	\$ 1,616,400	\$ 2,482,068	\$ 499,958	\$ 2,533,091	\$ 512,792
Receipts:								
Local sources	515,234	4,092,693	571,545	3,461,439	3,894,162	-	86,207	728
Intermediate sources	30	-	-	-	-	-	-	-
State sources	32,514,730	-	-	-	49,355	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	9,406	-	-	25,965	25,742	-	-	-
Total receipts	<u>33,039,400</u>	<u>4,092,693</u>	<u>571,545</u>	<u>3,487,404</u>	<u>3,969,259</u>	<u>-</u>	<u>86,207</u>	<u>728</u>
Disbursements:								
Instruction	21,640,087	-	-	-	-	-	-	-
Support services	8,977,454	-	-	2,028,104	2,882,907	212,754	206,643	-
Noninstructional services	291,899	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,197,282	-	-	-	-
Debt service	-	4,452,280	836,416	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	250,000	-	-	-	-	-	-	-
Total disbursements	<u>31,159,440</u>	<u>4,452,280</u>	<u>836,416</u>	<u>3,225,386</u>	<u>2,882,907</u>	<u>212,754</u>	<u>206,643</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,879,960</u>	<u>(359,587)</u>	<u>(264,871)</u>	<u>262,018</u>	<u>1,086,352</u>	<u>(212,754)</u>	<u>(120,436)</u>	<u>728</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	9,982	-	-	78,760	-	-	-	-
Transfers in	-	-	-	-	645	-	955,000	-
Transfers out	-	-	-	(500,000)	(1,000,000)	-	-	-
Total other financing sources (uses)	<u>9,982</u>	<u>-</u>	<u>-</u>	<u>(421,240)</u>	<u>(999,355)</u>	<u>-</u>	<u>955,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,889,942</u>	<u>(359,587)</u>	<u>(264,871)</u>	<u>(159,222)</u>	<u>86,997</u>	<u>(212,754)</u>	<u>834,564</u>	<u>728</u>
Cash and investments - ending	<u>\$ 2,897,205</u>	<u>\$ 2,328,091</u>	<u>\$ 162,961</u>	<u>\$ 1,457,178</u>	<u>\$ 2,569,065</u>	<u>\$ 287,204</u>	<u>\$ 3,367,655</u>	<u>\$ 513,520</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Construction Series 2015	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - Area Vocational School	Alternative Education
Cash and investments - beginning	\$ -	\$ 520,607	\$ 971,910	\$ 449,165	\$ 645	\$ 48,015	\$ -	\$ 51,404
Receipts:								
Local sources	-	1,107,591	519,479	2,348,674	-	1,392,481	855,305	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	24,929	209,859	-	-	-	-	-
Federal sources	-	1,486,229	-	-	-	-	-	-
Interfund loans	-	-	-	250,000	-	-	-	-
Other receipts	-	17,336	-	1,725,878	-	1,011	19	-
Total receipts	-	2,636,085	729,338	4,324,552	-	1,393,492	855,324	-
Disbursements:								
Instruction	-	-	-	-	-	380,250	1,119,472	-
Support services	-	890	465,847	-	-	1,037,600	247,957	-
Noninstructional services	-	2,352,414	-	-	-	-	-	-
Facilities acquisition and construction	84,654	93,378	-	-	-	11,000	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	4,454,078	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	84,654	2,446,682	465,847	4,454,078	-	1,428,850	1,367,429	-
Excess (deficiency) of receipts over disbursements	(84,654)	189,403	263,491	(129,526)	-	(35,358)	(512,105)	-
Other financing sources (uses):								
Proceeds of long-term debt	1,400,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	545,000	-
Transfers out	-	-	-	-	(645)	-	-	-
Total other financing sources (uses)	1,400,000	-	-	-	(645)	-	545,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,315,346	189,403	263,491	(129,526)	(645)	(35,358)	32,895	-
Cash and investments - ending	\$ 1,315,346	\$ 710,010	\$ 1,235,401	\$ 319,639	\$ -	\$ 12,657	\$ 32,895	\$ 51,404

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	SAFE School Haven	SAFE School Haven 15/16	Early Intervention Grant 14/15	Early Intervention Grant	Donations, Gifts and Trusts	SP - Energy Safe Kids	Duke Energy Grant
Cash and investments - beginning	\$ (3,273)	\$ -	\$ 28,212	\$ -	\$ 8,035	\$ -	\$ 34,856
Receipts:							
Local sources	-	-	-	-	2,094	-	13,372
Intermediate sources	-	-	-	-	-	-	-
State sources	3,273	11,096	32,760	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	3,273	11,096	32,760	-	2,094	-	13,372
Disbursements:							
Instruction	-	-	-	-	1,578	-	27,981
Support services	-	14,600	60,972	19,860	-	-	2,710
Noninstructional services	-	-	-	-	3,445	-	-
Facilities acquisition and construction	-	-	-	-	874	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	14,600	60,972	19,860	5,897	-	30,691
Excess (deficiency) of receipts over disbursements	3,273	(3,504)	(28,212)	(19,860)	(3,803)	-	(17,319)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,273	(3,504)	(28,212)	(19,860)	(3,803)	-	(17,319)
Cash and investments - ending	\$ -	\$ (3,504)	\$ -	\$ (19,860)	\$ 4,232	\$ -	\$ 17,537

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Transcanada	GM Class	Bedford Lions Club	IU Health	Raymond Foundation	Knights of Columbus	Robotics
Cash and investments - beginning	\$ 980,000	\$ -	\$ -	\$ -	\$ -	\$ 3,380	\$ -
Receipts:							
Local sources	-	960	100	450	4,500	13,000	659
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	960	100	450	4,500	13,000	659
Disbursements:							
Instruction	-	960	-	445	-	-	659
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	100	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	14,322	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	960	100	445	-	14,322	659
Excess (deficiency) of receipts over disbursements	-	-	-	5	4,500	(1,322)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	5	4,500	(1,322)	-
Cash and investments - ending	\$ 980,000	\$ -	\$ -	\$ 5	\$ 4,500	\$ 2,058	\$ -

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Music	Englewood PTO	JS Donations	Wetlands Donation	Community Reading Project	Hutton Library Books	Extra- Curricular Activities
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,454	\$ 3,546	\$ 593	\$ 3,207
Receipts:							
Local sources	300	4,767	100	-	1,175	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>300</u>	<u>4,767</u>	<u>100</u>	<u>-</u>	<u>1,175</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	290	28	-	-	-	-	-
Support services	-	-	-	-	2,061	-	-
Noninstructional services	-	-	-	-	-	-	300
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>290</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>2,061</u>	<u>-</u>	<u>300</u>
Excess (deficiency) of receipts over disbursements	<u>10</u>	<u>4,739</u>	<u>100</u>	<u>-</u>	<u>(886)</u>	<u>-</u>	<u>(300)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>10</u>	<u>4,739</u>	<u>100</u>	<u>-</u>	<u>(886)</u>	<u>-</u>	<u>(300)</u>
Cash and investments - ending	<u>\$ 10</u>	<u>\$ 4,739</u>	<u>\$ 100</u>	<u>\$ 3,454</u>	<u>\$ 2,660</u>	<u>\$ 593</u>	<u>\$ 2,907</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Cultural Arts	Bloomington Arts Council	Scholarships and Awards	Special Track and Field	Pritchett Donation NLCC	Pritchett Donation Building	Instruction Support
Cash and investments - beginning	\$ 5,992	\$ 135	\$ 73,837	\$ 8,117	\$ 3,010	\$ 2	\$ 15,890
Receipts:							
Local sources	8,302	-	-	7,637	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>8,302</u>	<u>-</u>	<u>-</u>	<u>7,637</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	7,369	-	-	-
Support services	7,732	-	-	-	-	-	15,890
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	325	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	8,000	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>7,732</u>	<u>-</u>	<u>8,000</u>	<u>7,369</u>	<u>325</u>	<u>-</u>	<u>15,890</u>
Excess (deficiency) of receipts over disbursements	<u>570</u>	<u>-</u>	<u>(8,000)</u>	<u>268</u>	<u>(325)</u>	<u>-</u>	<u>(15,890)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>570</u>	<u>-</u>	<u>(8,000)</u>	<u>268</u>	<u>(325)</u>	<u>-</u>	<u>(15,890)</u>
Cash and investments - ending	<u>\$ 6,562</u>	<u>\$ 135</u>	<u>\$ 65,837</u>	<u>\$ 8,385</u>	<u>\$ 2,685</u>	<u>\$ 2</u>	<u>\$ -</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Gifted & Talented 14/15	Gifted & Talented 15/16	Secured Schools Safety Grant	School Technology	Performance Based Awards	Miscellaneous Programs	Innovative School Improvement Grant
Cash and investments - beginning	\$ 1,783	\$ -	\$ -	\$ 208,911	\$ -	\$ (1,335)	\$ (2,478)
Receipts:							
Local sources	-	-	-	115,959	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	47,053	17,878	4,404	96,503	-	88,496
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,007	-
Total receipts	<u>-</u>	<u>47,053</u>	<u>17,878</u>	<u>120,363</u>	<u>96,503</u>	<u>1,007</u>	<u>88,496</u>
Disbursements:							
Instruction	1,783	43,488	17,878	-	96,503	-	-
Support services	-	-	-	14,665	-	1,422	86,018
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	279,435	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>1,783</u>	<u>43,488</u>	<u>17,878</u>	<u>294,100</u>	<u>96,503</u>	<u>1,422</u>	<u>86,018</u>
Excess (deficiency) of receipts over disbursements	<u>(1,783)</u>	<u>3,565</u>	<u>-</u>	<u>(173,737)</u>	<u>-</u>	<u>(415)</u>	<u>2,478</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,783)</u>	<u>3,565</u>	<u>-</u>	<u>(173,737)</u>	<u>-</u>	<u>(415)</u>	<u>2,478</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ 35,174</u>	<u>\$ -</u>	<u>\$ (1,750)</u>	<u>\$ -</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Senator David Ford Technology	ECIA Title I P.L. 107-110 FY 12/13	ECIA Title I P.L. 107-110 FY 13/14	ECIA Title I P.L. 107-110 FY 14/15	ECIA Title I P.L. 107-110 FY 15/16	School Improvement Grant	IDEA, Part B P.L. 105-17 FY 12/13
Cash and investments - beginning	\$ (5,000)	\$ 2,233	\$ -	\$ (85,857)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	30,000	-	-	-	-	-	-
Federal sources	-	-	-	218,811	676,156	1,500	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>218,811</u>	<u>676,156</u>	<u>1,500</u>	<u>-</u>
Disbursements:							
Instruction	-	-	1,363	103,485	688,385	-	-
Support services	25,000	-	-	26,676	56,802	1,500	-
Noninstructional services	-	-	-	2,793	13,070	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>25,000</u>	<u>-</u>	<u>1,363</u>	<u>132,954</u>	<u>758,257</u>	<u>1,500</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>5,000</u>	<u>-</u>	<u>(1,363)</u>	<u>85,857</u>	<u>(82,101)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,000</u>	<u>-</u>	<u>(1,363)</u>	<u>85,857</u>	<u>(82,101)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,233</u>	<u>\$ (1,363)</u>	<u>\$ -</u>	<u>\$ (82,101)</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	IDEA, Part B P.L. 105-17 FY 13/14	IDEA, Part B P.L. 105-17 FY 14/15	IDEA, Part B P.L. 105-17 FY 15/16	Preschool Handicap P.L. 99-457 FY 12/13	Preschool Handicap P.L. 99-457 FY 13/14	Preschool Handicap P.L. 99-457 FY 14/15	Preschool Handicap P.L. 99-457 FY 15/16
Cash and investments - beginning	\$ (14,292)	\$ (147,377)	\$ -	\$ -	\$ -	\$ (7,338)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	465,868	698,091	1,360,522	-	-	40,973	53,295
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	465,868	698,091	1,360,522	-	-	40,973	53,295
Disbursements:							
Instruction	451,373	484,095	1,200,648	-	-	26,441	44,545
Support services	203	88,394	312,139	-	-	7,194	15,686
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	451,576	572,489	1,512,787	-	-	33,635	60,231
Excess (deficiency) of receipts over disbursements	14,292	125,602	(152,265)	-	-	7,338	(6,936)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,292	125,602	(152,265)	-	-	7,338	(6,936)
Cash and investments - ending	\$ -	\$ (21,775)	\$ (152,265)	\$ -	\$ -	\$ -	\$ (6,936)

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Vocational & Technology Board Grants FY 13/14	Vocational & Technology Board Grants FY 14/15	Vocational & Technology Board Grants FY 15/16	Rural Perkins	Rural Perkins 15-16	SIEC Federal Grant	Improving Teaching Quality, No Child Left, Title II, Part A FY2013
Cash and investments - beginning	\$ -	\$ (23,096)	\$ -	\$ -	\$ -	\$ (1,710)	\$ (777)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	42,269	96,741	99,953	90,337	-	1,216
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	42,269	96,741	99,953	90,337	-	1,216
Disbursements:							
Instruction	-	-	27,214	99,953	90,337	-	-
Support services	-	19,173	79,229	-	-	-	437
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	19,173	106,443	99,953	90,337	-	437
Excess (deficiency) of receipts over disbursements	-	23,096	(9,702)	-	-	-	779
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	23,096	(9,702)	-	-	-	779
Cash and investments - ending	\$ -	\$ -	\$ (9,702)	\$ -	\$ -	\$ (1,710)	\$ 2

NORTH LAWRENCE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A FY2014	Improving Teaching Quality, No Child Left, Title II, Part A FY2015	ITQ, Enhanced Education Through Technology, Title II, Part D	Payroll Clearing Accounts	Prepaid Lunch Trust	BNLHS Scholarships	Totals
Cash and investments - beginning	\$ (13,333)	\$ -	\$ 308	\$ 150,991	\$ 16,651	\$ -	\$ 15,056,105
Receipts:							
Local sources	-	-	-	-	-	-	19,018,913
Intermediate sources	-	-	-	-	-	-	30
State sources	-	-	-	-	-	-	33,130,336
Federal sources	83,742	82,810	-	-	-	-	5,498,513
Interfund loans	-	-	-	-	-	-	250,000
Other receipts	-	-	-	9,397,483	-	73,000	11,276,847
Total receipts	83,742	82,810	-	9,397,483	-	73,000	69,174,639
Disbursements:							
Instruction	27,062	92,973	-	-	-	-	26,676,645
Support services	45,131	-	-	-	-	-	16,963,650
Noninstructional services	-	-	-	-	-	-	2,664,021
Facilities acquisition and construction	-	-	-	-	-	-	1,681,270
Debt service	-	-	-	-	-	-	5,288,696
Nonprogrammed charges	-	-	-	9,397,608	10,281	73,000	13,942,967
Interfund loans	-	-	-	-	-	-	250,000
Total disbursements	72,193	92,973	-	9,397,608	10,281	73,000	67,467,249
Excess (deficiency) of receipts over disbursements	11,549	(10,163)	-	(125)	(10,281)	-	1,707,390
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	1,400,000
Sale of capital assets	-	-	-	-	-	-	88,742
Transfers in	-	-	-	-	-	-	1,500,645
Transfers out	-	-	-	-	-	-	(1,500,645)
Total other financing sources (uses)	-	-	-	-	-	-	1,488,742
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,549	(10,163)	-	(125)	(10,281)	-	3,196,132
Cash and investments - ending	\$ (1,784)	\$ (10,163)	\$ 308	\$ 150,866	\$ 6,370	\$ -	\$ 18,252,237

(This page intentionally left blank.)

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,472,711</u>	<u>\$ 283,717</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
North Lawrence School Improvement Corporation	refinance Series 2004 Bonds	\$ 1,836,208	7/15/2013	1/15/2026
North Lawrence School Improvement Corporation	refinance Series 2005 Bonds	1,649,275	7/15/2012	1/15/2028
North Lawrence School Improvement Corporation	finance renovating lease premises	743,850	7/15/2016	1/15/2019
PNC Equipment Finance	Energy Savings Contract	<u>415,521</u>	12/31/2007	9/30/2017
Total governmental activities		<u>4,644,854</u>		
Total of annual lease payments		<u>\$ 4,644,854</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Amended Taxable Retirement/Severance Liability Funding Bonds of 2004	\$ 5,973,000	\$ 611,856
Totals		<u>\$ 5,973,000</u>	<u>\$ 611,856</u>

NORTH LAWRENCE COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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	\$ 20,392
Buildings	55,168,903
Improvements other than buildings	8,659,953
Machinery and equipment	8,687,736
Books and other	21,106,942
Total governmental activities	93,643,926
Total capital assets	\$ 93,643,926

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE NORTH LAWRENCE COMMUNITY
SCHOOLS, LAWRENCE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the North Lawrence Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002. 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 item 2016-002 to be a material weakness.

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

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 25, 2017

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.

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY 2014	\$ -	\$ 266,653	\$ -	\$ -
			FY 2015	-	-	-	301,146
Total - School Breakfast Program				-	266,653	-	301,146
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch			FY 2014	-	1,150,904	-	-
			FY 2015	-	-	-	1,149,606
Commodities			FY 2014	-	169,790	-	-
			FY 2015	-	-	-	165,993
FS After School Program			FY 2014	-	14,547	-	-
			FY 2015	-	-	-	12,638
Total - National School Lunch Program				-	1,335,241	-	1,328,237
Summer Food Service Program For Children	Indiana Department of Education	10.559					
Summer Food			FY 2014	-	34,301	-	-
			FY 2015	-	-	-	35,477
Total - Summer Food Service Program For Children				-	34,301	-	35,477
Total - Child Nutrition Cluster				-	1,636,195	-	1,664,860
Total - Department of Agriculture				-	1,636,195	-	1,664,860
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Part B IDEA			14213-049-PN01	-	206,342	-	-
			14214-049-PN01	-	289,511	-	-
			14214-049-PN01	-	-	-	210,256
			14215-049-PN01	-	644,482	-	-
			14215-049-PN01	-	-	-	316,307
			14216-049-PN01	-	-	-	619,916
Tech Assistance for Special Education			99910-49-TA01	-	27,561	-	-
Total - Special Education_Grants to States				-	1,167,896	-	1,146,479
Special Education_Preschool Grants	Indiana Department of Education	84.173					
Preschool			45713-049-PN01	-	2,951	-	-
			45714-049-PN01	-	14,325	-	-
			45715-049-PN01	-	31,599	-	-
			45715-049-PN01	-	-	-	20,656
			45716-049-PN01	-	-	-	26,923
Total - Special Education_Preschool Grants				-	48,875	-	47,579
Total - Special Education Cluster (IDEA)				-	1,216,771	-	1,194,058

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

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016
(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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Education (continued)</u>							
Title I Grants to Local Educational Agencies Title I, Part A	Indiana Department of Education	84.010					
			14-5075	-	167,985	-	-
			15-5075	-	721,626	-	-
			15-5075	-	-	-	218,811
			16-5075	-	-	-	676,156
			15-5075	-	-	-	88,496
			15-5075	-	24,222	-	-
Basic School Improvement Grant			15-5075	-	-	-	1,500
Total - Title I Grants to Local Educational Agencies				-	913,833	-	984,963
Career and Technical Education -- Basic Grants to States Perkins	Indiana Department of Education	84.048					
			13-4700-5075	-	56,887	-	-
			14-4700-5075	-	93,790	-	-
			15-4700-5075	-	-	-	42,269
			16-4700-5075	-	-	-	96,741
Perkins - Rural			A58515C 2759	-	-	-	99,953
			A58616C 3260	-	-	-	90,337
Total - Career and Technical Education -- Basic Grants to States				-	150,677	-	329,300
Supporting Effective Instruction State Grants Title II A	Indiana Department of Education	84.367					
			13-5075	-	119,626	-	-
			13-5075	-	-	-	1,216
			14-5075	-	73,737	-	-
			14-5075	-	-	-	83,742
			S367A150015	-	-	-	82,810
Total - Supporting Effective Instruction State Grants				-	193,363	-	167,768
Total - Department of Education				-	2,474,644	-	2,676,089
Total federal awards expended				\$ -	\$ 4,110,839	\$ -	\$ 4,340,949

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

NORTH LAWRENCE COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. *Summary of Significant Accounting Policies*

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

Note 3. *Special Education Cooperative*

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

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit finding 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
84.048	Child Nutrition Cluster Special Education Cluster (IDEA) Career and Technical Education -- Basic Grants to States

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 2016-001

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

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation relied on one employee to prepare the SEFA. There was no evidence of a control, such as an oversight, review, or approval process by the School Corporation to ensure federal awards information entered and submitted was correct.

Context

The SEFA contained the following errors:

- The program title was incorrectly reported for seven federal programs.
- The National School Lunch Program commodities were overstated by \$22,482.
- The Summer Food Service Program for Children expenditures were overstated by \$10,383.
- The Title I Grants to Local Educational Agencies expenditures were understated by \$112,754.
- The Career and Technical Education -- Basic Grants to States fiscal year 2016 expenditures were understated by \$190,290.
- There was an unidentified grant in the amount of \$328 that was reported in error for fiscal year 2015.

The errors resulted in a net understatement of federal expenditures of \$269,851. 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. . . ."

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. . . ."

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

The failure to establish controls enabled material misstatements of the SEFA to occur.

Recommendation

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Career and Technical Education -- Basic Grants to States -
Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Career and Technical Education -- Basic Grants to States
CFDA Number: 84.048
Federal Award Numbers and Years (or Other Identifying Numbers): 16-4700-5075, A58515CI2759,
A58616CI3260
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

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.

The School Corporation did not have procedures in place for procurement purchases between \$3,000 and \$150,000 nor did they document the rationale for the procurement method used.

The School Corporation did not have procedures in place to verify that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in Federal assistance programs prior to entering into a contract with them.

Context

The School Corporation did not follow procurement requirements for small purchases or verify that vendors were not suspended or debarred prior to awarding the contracts with 100 percent of applicable vendors for the 2015-2016 school year.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

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

2 CFR 200.320(b) states:

"Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, and other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources."

NORTH LAWRENCE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Procurement and Suspension and Debarment requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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



NORTH LAWRENCE COMMUNITY SCHOOLS

460 W Street • P.O. Box 729 • Bedford, IN 47421-0729
(812) 279-3521

Summary of Prior Audit Finding

SCHOOLS

- Bedford North Lawrence High School
- Bedford Middle School
- Dollens Elementary School
- Englewood School
- Fayetteville Elementary School
- Heltonville Elementary School
- Lincoln Elementary School
- Needmore Elementary School
- Oolitic Middle School
- Parkview Primary Elementary School
- Parkview Intermediate Elementary School
- Shawswick Elementary/Middle School
- Springville Elementary School
- Stalker Elementary School
- North Lawrence Vocational Technical Center

FINDING 2014-001 Matching, Level of Effort, Earmarking

Federal Agency: US Department of Education
 Federal Program: Special Education-Grants to States and Special Education-Preschool Grants
 CFDA Number: 84.027 and 84.173
 Federal Award Number and Year (or Other Identifying Number): 14211-049-PN01, 14212-049-PN01, 14213-049-PN01, 14214-049-PN01, 45711-049-PN01, 45713-049-PN01, 45713-049-PN01, 45714-049-PN01
 Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Corbin Dietrich, Treasurer
 Contact Phone Number: 812-279-3521

Description of Corrective Action:

North Lawrence Community Schools (NLCS) has established a more effective internal control system with regard to the Special Education Level of Effort (LOE). NLCS has retained supporting documentation for the LOE reported in applications beginning in 2015 for FY 2016 to ensure the verifiability of the state and local expenditures for special education of students.

A greater level of segregation of duties has been established to ensure and effective monitoring process and compliance. The Treasurer compiles the expenditures reported on the application, the Deputy Treasurer reviews the expenditures in detail for accuracy and completeness, and then the Director of Special Education reviews the application before submission. This change in internal control structure will insure that federal compliance requirements have been met that have a direct and material effect on the program.

Completion Date:

This plan was established as a standard operating procedure as of September 22, 2015 and has continued on an ongoing basis with succeeding grants.

Corbin Dietrich
(Signature)

Treasurer / CFO
(Title)

6-28-2017
(Date)



NORTH LAWRENCE COMMUNITY SCHOOLS

460 W Street • P.O. Box 729 • Bedford, IN 47421-0729
(812) 279-3521

CORRECTIVE ACTION PLAN

SCHOOLS

- Bedford North Lawrence High School
- Bedford Middle School
- Dollens Elementary School
- Englewood School
- Fayetteville Elementary School
- Heltonville Elementary School
- Lincoln Elementary School
- Needmore Elementary School
- Oolitic Middle School
- Parkview Primary Elementary School
- Parkview Intermediate Elementary School
- Shawswick Elementary/Middle School
- Springville Elementary School
- Stalker Elementary School
- North Lawrence Vocational Technical Center

FINDING 2016-001

Contact Person Responsible for Corrective Action: Corbin Dietrich, Treasurer
Contact Phone Number: 812-279-3521

Description of Corrective Action Plan:

Lack of initial training and therefore proper knowledge greatly contributed to the errors on the Schedule of Expenditures of Federal Awards (SEFA) for fiscal years ending 2015 and 2016. We now have a much better understanding of the information we need to provide for future submissions. The Treasurer will thoroughly review new grants to determine if they are Federal grants that should be included on the SEFA. Program titles will be determined by matching the appropriate title with the CFDA number on the www.CFDA.gov website.

Anticipated Completion Date:

Immediately

Corbin Dietrich
(Signature)

NLCS Treasurer
(Title)

July 25, 2017
(Date)



NORTH LAWRENCE COMMUNITY SCHOOLS

460 W Street • P.O. Box 729 • Bedford, IN 47421-0729

(812) 279-3521

CORRECTIVE ACTION PLAN

SCHOOLS

Bedford North Lawrence High School

Bedford Middle School

Dollens Elementary School

Englewood School

Fayetteville Elementary School

Heltonville Elementary School

Lincoln Elementary School

Needmore Elementary School

Oolitic Middle School

Parkview Primary Elementary School

Parkview Intermediate Elementary School

Shawswick Elementary/Middle School

Springville Elementary School

Stalker Elementary School

North Lawrence Vocational Technical Center

FINDING 2016-002

Contact Person Responsible for Corrective Action: Corbin Dietrich, Treasurer
Contact Phone Number: 812-279-3521

Description of Corrective Action Plan:

The appropriate procurement method will be used for future purchases. Quotations will be obtained from an adequate number of qualified sources for purchases that fall into the Small Purchase category (\$3,000 to \$150,000). If the purchase is specialized and multiple quotations cannot be obtained, then the purchaser will document why multiple quotations cannot be obtained. The Suspension and Debarment compliance requirements will be followed. For purchases over \$25,000, the purchaser will verify that the vendor has not been suspended or debarred before purchasing from said vendor.

Anticipated Completion Date:

Immediately

Corbin Dietrich
(Signature)

Treasurer
(Title)

August 2, 2017
(Date)

OTHER REPORTS

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