

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TWIN LAKES SCHOOL CORPORATION
WHITE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
06/20/2018

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.....	20-43
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
Other Reports.....	64

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Margie Reynolds	07-01-14 to 06-30-18
Superintendent of Schools	Dr. Thomas Fletcher Michael Galvin	07-01-14 to 06-30-16 07-01-16 to 06-30-18
President of the School Board	John Gooding Larry Crabb John Gooding	07-01-14 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TWIN LAKES SCHOOL CORPORATION, WHITE COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 2018, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

May 23, 2018



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

TO: THE OFFICIALS OF THE TWIN LAKES SCHOOL CORPORATION, WHITE 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 Twin Lakes School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated May 23, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters


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

Twin Lakes School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 23, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

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	\$ 1,902,679	\$ 15,007,239	\$ 15,306,249	\$ 356	\$ 1,604,025	\$ 15,238,844	\$ 15,328,411	\$ 70	\$ 1,514,528
Debt Service	731,785	1,971,809	1,658,518	-	1,045,076	1,690,752	1,675,798	-	1,060,030
Retirement/Severance Bond Debt Service	353,630	620,542	619,025	-	355,147	605,382	604,284	-	356,245
Capital Projects	2,005,071	2,737,014	2,926,632	(109,749)	1,705,704	2,804,419	2,776,606	(105,880)	1,627,637
School Transportation	1,928,037	1,324,286	1,320,247	(150,000)	1,782,076	1,309,929	1,283,919	(150,000)	1,658,086
School Bus Replacement	738,463	367,927	274,569	(30,000)	801,821	270,265	303,272	(30,000)	738,814
Rainy Day	736,913	-	138,983	300,000	897,930	73,988	389,144	300,000	882,774
Retirement/Severance Bond	939,203	1,637	46,450	-	894,390	1,594	22,575	-	873,409
Post-Retirement/Severance Future Benefits	19,508	-	930	-	18,578	-	2,330	-	16,248
TLHS - RMS - ML Construction	136,815	-	136,815	-	-	-	-	-	-
HS - RMS Construction	355,625	590	249,886	-	106,329	16	106,345	-	-
2016 Building for the Future	-	-	-	-	-	-	286,484	-	(286,484)
School Lunch	31,975	1,027,236	1,028,494	-	30,717	1,058,616	1,024,395	-	64,938
Textbook Rental	126,820	251,772	290,251	57,813	146,154	264,552	236,718	64,061	238,049
Levy Excess	-	526	-	-	526	-	-	-	526
Joint Services and Supply - Area Vocational School	103,934	227,301	206,557	-	124,678	222,144	200,781	-	146,041
Area 10 Discretionary	197,494	1,304	3,051	-	195,747	355	10,027	13,146	199,221
2012/13 Life Academy	701	-	-	-	701	-	701	-	-
2013/14 Life Academy	2,511	-	1,188	-	1,323	-	1,323	-	-
Music Appreciation	-	45,312	18,513	-	26,799	-	23,899	-	2,900
Alt Ed 15/16	-	-	-	-	-	36,542	18,608	-	17,934
2015 Lit Early Intervention	-	29,999	29,999	-	-	-	-	-	-
2015/2016 Early Intervent	-	-	-	-	-	39,757	26,646	-	13,111
Music Appreciation Fund	625	-	625	-	-	-	-	-	-
Nipsco-WC Econ Dev Org	-	20,000	15,000	-	5,000	-	5,000	-	-
Centurylink C M WMS Foundation	-	7,992	160	-	7,832	9,796	7,832	-	9,796
ML - Donations to Music Dept	-	2,000	-	-	2,000	463	1,073	-	1,390
Monsanto Fund	-	-	-	-	-	10,000	10,000	-	-
Fuel Up to Play 60	-	-	-	-	-	3,400	3,120	-	280
Donations Including Benevity	-	-	-	-	-	5,267	5,000	-	267
East Lawn PTO Technology Donate	-	-	-	-	-	6,100	-	-	6,100
TL Friends Flower Fund	-	-	-	-	-	894	338	-	556
Auto Service & Donation	279	-	-	-	279	-	-	-	279
ML Target Field Trips	-	700	700	-	-	706	574	-	132
OL Comp Clubs Walmart	1,350	-	1,350	-	-	-	-	-	-
PSI IOTA XI-Jump Start	-	4,000	2,001	-	1,999	2,000	4,271	-	(272)
WL Outdoor Education Center	1,003	-	-	-	1,003	-	-	-	1,003
WC Comm Found-ML Kiln	-	-	-	-	-	2,000	2,000	-	-
SWCD-Insect Investigations	1	-	1	-	-	-	-	-	-
REMC HS Choral Equipment	500	-	-	-	500	-	500	-	-
HS - REMC Battle of the Books	44	600	581	-	63	600	598	-	65
TL Teacher Appreciation Donation	210	-	81	-	129	-	129	-	-
Partners Drug Free White County	2,495	-	2,446	-	49	-	49	-	-
2015 Prtnrs Drug Free White Co	-	2,900	-	-	2,900	-	2,697	-	203
2016 Prtnrs Drug Free White Co	-	-	-	-	-	2,200	-	-	2,200

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

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
Striving for Excellence	21,164	2,514	3,869	-	19,809	2,635	3,210	-	19,234
ML Nature Center Home Depot	117	-	117	-	-	-	-	-	-
Masonic Special Education Kids	340	-	-	-	340	-	-	-	340
REMC Grants-Aug 2013 Forward	-	671	671	-	-	1,128	828	-	300
2013/14 High Ability	4,046	-	4,046	-	-	-	-	-	-
2014/2015 High Ability	-	34,124	27,999	-	6,125	-	6,125	-	-
15/16 High Ability	-	-	-	-	-	35,359	29,989	-	5,370
Common Sch Tech Advance	-	-	-	-	-	110,000	110,000	-	-
Medicaid Reimbursement	-	9,601	9,601	-	-	16,878	16,878	-	-
Secured Schools Safety Grant	-	26,944	32,532	-	(5,588)	30,604	29,495	-	(4,479)
Scholarships and Awards	56,751	59,233	114,767	-	1,217	112,233	100,920	-	12,530
NESP 14/15	-	13,925	13,925	-	-	-	-	-	-
NESP 15/16	-	-	-	-	-	27,265	17,579	-	9,686
School Technology	-	-	-	-	-	4,404	3,240	-	1,164
Technology Repair & Replace	-	-	-	-	-	7,963	4,308	-	3,655
Title I 12/13	60	-	-	(60)	-	-	-	-	-
Title 1 13/14	(50,450)	99,322	48,872	-	-	-	-	-	-
14/15 Title I	-	251,981	282,868	60	(30,827)	80,805	49,978	-	-
15/16 Title I, Part A	-	-	-	-	-	265,836	289,871	-	(24,035)
FY 13 IDEA PT B (611) CEIS	(4,790)	10,354	5,564	-	-	-	-	-	-
FY14 Idea Pt B CEIS	-	60,499	67,967	-	(7,468)	18,168	10,700	-	-
Perkins FY14	(3,191)	126,513	123,322	-	-	-	-	-	-
Perkins FY15	-	59,407	101,071	-	(41,664)	101,833	51,999	(8,170)	-
FY16 Perkins	-	-	-	-	-	136,934	145,800	-	(8,866)
Perkins CTE Rural Sch Compete	-	-	549	-	(549)	100,000	94,475	(4,976)	-
Perkins Leadership TI PTB 124	-	-	-	-	-	88,716	91,943	-	(3,227)
Medicaid Reimbursement - Federal	-	17,511	17,511	-	-	30,761	30,761	-	-
FY12 Title II PT A Teacher Quality	(10,701)	10,851	150	-	-	-	-	-	-
FY13 Title II PT A Teacher Quality	(15,761)	53,143	37,382	-	-	-	-	-	-
FFY14 Imprv Tchr Qual TII Pt A	-	36,043	42,500	-	(6,457)	49,669	43,212	-	-
FFY15 TII Pt A	-	-	-	-	-	31,638	43,381	-	(11,743)
FY14 Title III Language Instruction	(1,004)	1,558	554	-	-	-	-	-	-
FY15 Title III, Lang Instr	-	18,370	20,223	-	(1,853)	5,619	3,766	-	-
FY16 Title III	-	-	-	-	-	20,111	21,037	-	(926)
Payroll Clearing	51,940	4,021,424	4,027,046	-	46,318	4,051,977	4,047,841	-	50,454
Prepaid Lunch	11,616	421,413	418,841	-	14,188	407,452	405,867	-	15,773
Totals	\$ 10,377,808	\$ 28,988,087	\$ 29,681,249	\$ 68,420	\$ 9,753,066	\$ 29,398,569	\$ 30,018,650	\$ 78,251	\$ 9,211,236

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The 2016 Building for the Future fund had a \$286,484 deficit in cash at the end of the 2016 fiscal year. This fund was created in order to track expenses associated with a construction project instead of using the Capital Projects fund. Funds were received in September 2016 and eliminated the deficit. Other deficit fund balances were a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

TWIN LAKES SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporations*

The School Corporation has entered into capital leases with the Twin Lakes School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the school years ended June 30, 2015 and 2016, totaled \$1,583,500 and \$1,584,500, respectively.

Note 9. *Subsequent Events*

On November 1, 2017, the School Corporation entered into a capital lease with the Twin Lakes School Building Corporation for renovations to the elementary, middle, and high schools. Annual lease payments will be \$1,475,000 and will start July 15, 2018, and end January 15, 2026.

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OTHER INFORMATION - UNAUDITED

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 1,902,679	\$ 731,785	\$ 353,630	\$ 2,005,071	\$ 1,928,037	\$ 738,463	\$ 736,913
Receipts:							
Local sources	114,983	1,971,809	620,542	2,726,357	1,324,286	367,927	-
Intermediate sources	597	-	-	-	-	-	-
State sources	14,870,279	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	21,380	-	-	10,657	-	-	-
Total receipts	15,007,239	1,971,809	620,542	2,737,014	1,324,286	367,927	-
Disbursements:							
Instruction	10,659,639	-	-	-	-	-	81,736
Support services	4,437,131	-	-	942,049	1,320,247	274,569	33,807
Noninstructional services	209,279	-	-	-	-	-	14,171
Facilities acquisition and construction	-	-	-	1,984,583	-	-	9,269
Debt service	-	1,658,518	619,025	-	-	-	-
Nonprogrammed charges	200	-	-	-	-	-	-
Total disbursements	15,306,249	1,658,518	619,025	2,926,632	1,320,247	274,569	138,983
Excess (deficiency) of receipts over disbursements	(299,010)	313,291	1,517	(189,618)	4,039	93,358	(138,983)
Other financing sources (uses):							
Sale of capital assets	356	-	-	10,251	-	-	-
Transfers in	-	-	-	-	-	-	300,000
Transfers out	-	-	-	(120,000)	(150,000)	(30,000)	-
Total other financing sources (uses)	356	-	-	(109,749)	(150,000)	(30,000)	300,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(298,654)	313,291	1,517	(299,367)	(145,961)	63,358	161,017
Cash and investments - ending	\$ 1,604,025	\$ 1,045,076	\$ 355,147	\$ 1,705,704	\$ 1,782,076	\$ 801,821	\$ 897,930

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

	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	TLHS - RMS - ML Construction	HS - RMS Construction	2016 Building for the Future	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 939,203	\$ 19,508	\$ 136,815	\$ 355,625	\$ -	\$ 31,975	\$ 126,820
Receipts:							
Local sources	1,637	-	-	590	-	417,046	161,693
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	12,894	90,079
Federal sources	-	-	-	-	-	593,184	-
Other receipts	-	-	-	-	-	4,112	-
Total receipts	1,637	-	-	590	-	1,027,236	251,772
Disbursements:							
Instruction	44,050	-	-	-	-	-	-
Support services	2,400	930	-	-	-	532	290,251
Noninstructional services	-	-	-	-	-	1,027,962	-
Facilities acquisition and construction	-	-	136,815	249,886	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	46,450	930	136,815	249,886	-	1,028,494	290,251
Excess (deficiency) of receipts over disbursements	(44,813)	(930)	(136,815)	(249,296)	-	(1,258)	(38,479)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	57,813
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	57,813
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(44,813)	(930)	(136,815)	(249,296)	-	(1,258)	19,334
Cash and investments - ending	\$ 894,390	\$ 18,578	\$ -	\$ 106,329	\$ -	\$ 30,717	\$ 146,154

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

	Levy Excess	Joint Services and Supply - Area Vocational School	Area 10 Discretionary	2012/13 Life Academy	2013/14 Life Academy	Music Appreciation	Alt Ed 15/16
Cash and investments - beginning	\$ -	\$ 103,934	\$ 197,494	\$ 701	\$ 2,511	\$ -	\$ -
Receipts:							
Local sources	526	227,036	1,304	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	45,312	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	265	-	-	-	-	-
Total receipts	526	227,301	1,304	-	-	45,312	-
Disbursements:							
Instruction	-	198,897	3,051	-	-	9,900	-
Support services	-	5,860	-	-	1,188	8,613	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,800	-	-	-	-	-
Total disbursements	-	206,557	3,051	-	1,188	18,513	-
Excess (deficiency) of receipts over disbursements	526	20,744	(1,747)	-	(1,188)	26,799	-
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	526	20,744	(1,747)	-	(1,188)	26,799	-
Cash and investments - ending	\$ 526	\$ 124,678	\$ 195,747	\$ 701	\$ 1,323	\$ 26,799	\$ -

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

	2015 Lit Early Intervention	2015/2016 Early Intervent	Music Appreciation Fund	Nipsco-WC Econ Dev Org	Centurylink C M WMS Foundation	ML - Donations to Music Dept	Monsanto Fund
Cash and investments - beginning	\$ -	\$ -	\$ 625	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	20,000	7,992	2,000	-
Intermediate sources	-	-	-	-	-	-	-
State sources	29,999	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	29,999	-	-	20,000	7,992	2,000	-
Disbursements:							
Instruction	25,684	-	625	-	-	-	-
Support services	4,315	-	-	15,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	160	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	29,999	-	625	15,000	160	-	-
Excess (deficiency) of receipts over disbursements	-	-	(625)	5,000	7,832	2,000	-
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	-	-	(625)	5,000	7,832	2,000	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 5,000	\$ 7,832	\$ 2,000	\$ -

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

	Fuel Up to Play 60	Donations Including Benevity	East Lawn PTO Technology Donate	TL Friends Flower Fund	Auto Service & Donation	ML Target Field Trips	OL Comp Clubs Walmart
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 279	\$ -	\$ 1,350
Receipts:							
Local sources	-	-	-	-	-	700	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	700	-
Disbursements:							
Instruction	-	-	-	-	-	700	1,350
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	700	1,350
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(1,350)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	(1,350)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 279	\$ -	\$ -

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

	PSI IOTA XI-Jump Start	WL Outdoor Education Center	WC Comm Found-ML Kiln	SWCD- Insect Investigations	REMC HS Choral Equipment	HS - REMC Battle of the Books	TL Teacher Appreciation Donation
Cash and investments - beginning	\$ -	\$ 1,003	\$ -	\$ 1	\$ 500	\$ 44	\$ 210
Receipts:							
Local sources	4,000	-	-	-	-	600	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	4,000	-	-	-	-	600	-
Disbursements:							
Instruction	2,001	-	-	1	-	581	-
Support services	-	-	-	-	-	-	81
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,001	-	-	1	-	581	81
Excess (deficiency) of receipts over disbursements	1,999	-	-	(1)	-	19	(81)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,999	-	-	(1)	-	19	(81)
Cash and investments - ending	\$ 1,999	\$ 1,003	\$ -	\$ -	\$ 500	\$ 63	\$ 129

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

	Partners Drug Free White County	2015 Prtns Drug Free White Co	2016 Prtns Drug Free White Co	Striving for Excellence	ML Nature Center Home Depot	Masonic Special Education Kids	REMC Grants- Aug 2013 Forward
Cash and investments - beginning	\$ 2,495	\$ -	\$ -	\$ 21,164	\$ 117	\$ 340	\$ -
Receipts:							
Local sources	-	2,900	-	2,514	-	-	671
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	2,900	-	2,514	-	-	671
Disbursements:							
Instruction	-	-	-	3,869	117	-	671
Support services	2,446	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,446	-	-	3,869	117	-	671
Excess (deficiency) of receipts over disbursements	(2,446)	2,900	-	(1,355)	(117)	-	-
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	(2,446)	2,900	-	(1,355)	(117)	-	-
Cash and investments - ending	\$ 49	\$ 2,900	\$ -	\$ 19,809	\$ -	\$ 340	\$ -

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

	2013/14 High Ability	2014/2015 High Ability	15/16 High Ability	Common Sch Tech Advance	Medicaid Reimbursement	Secured Schools Safety Grant	Scholarships and Awards
Cash and investments - beginning	\$ 4,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,751
Receipts:							
Local sources	-	-	-	-	-	-	59,233
Intermediate sources	-	-	-	-	-	-	-
State sources	-	34,124	-	-	9,601	26,944	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	34,124	-	-	9,601	26,944	59,233
Disbursements:							
Instruction	4,046	27,999	-	-	-	-	-
Support services	-	-	-	-	9,601	32,532	114,767
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	4,046	27,999	-	-	9,601	32,532	114,767
Excess (deficiency) of receipts over disbursements	(4,046)	6,125	-	-	-	(5,588)	(55,534)
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	(4,046)	6,125	-	-	-	(5,588)	(55,534)
Cash and investments - ending	\$ -	\$ 6,125	\$ -	\$ -	\$ -	\$ (5,588)	\$ 1,217

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

	NESP 14/15	NESP 15/16	School Technology	Technology Repair & Replace	Title I 12/13	Title 1 13/14	14/15 Title I
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ (50,450)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	13,925	-	-	-	-	-
Federal sources	-	-	-	-	-	99,322	251,981
Other receipts	-	-	-	-	-	-	-
Total receipts	-	13,925	-	-	-	99,322	251,981
Disbursements:							
Instruction	-	13,541	-	-	-	41,826	267,143
Support services	-	-	-	-	-	7,046	15,725
Noninstructional services	-	384	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	13,925	-	-	-	48,872	282,868
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	50,450	(30,887)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	60
Transfers out	-	-	-	-	(60)	-	-
Total other financing sources (uses)	-	-	-	-	(60)	-	60
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(60)	50,450	(30,827)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,827)

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

	15/16 Title I, Part A	FY 13 IDEA PT B (611) CEIS	FY14 Idea Pt B CEIS	Perkins FY14	Perkins FY15	FY16 Perkins	Perkins CTE Rural Sch Compete
Cash and investments - beginning	\$ -	\$ (4,790)	\$ -	\$ (3,191)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	10,354	60,499	126,513	59,407	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	10,354	60,499	126,513	59,407	-	-
Disbursements:							
Instruction	-	5,564	67,967	71,550	54,747	-	549
Support services	-	-	-	51,772	46,324	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	5,564	67,967	123,322	101,071	-	549
Excess (deficiency) of receipts over disbursements	-	4,790	(7,468)	3,191	(41,664)	-	(549)
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	-	4,790	(7,468)	3,191	(41,664)	-	(549)
Cash and investments - ending	\$ -	\$ -	\$ (7,468)	\$ -	\$ (41,664)	\$ -	\$ (549)

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

	Perkins Leadership TI PTB 124	Medicaid Reimbursement - Federal	FY12 Title II PT A Teacher Quality	FY13 Title II PT A Teacher Quality	FFY14 Imprv Tchr Qual TII Pt A	FFY15 TII Pt A
Cash and investments - beginning	\$ -	\$ -	\$ (10,701)	\$ (15,761)	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	17,511	10,851	53,143	36,043	-
Other receipts	-	-	-	-	-	-
Total receipts	-	17,511	10,851	53,143	36,043	-
Disbursements:						
Instruction	-	-	-	-	-	-
Support services	-	17,511	150	37,382	42,500	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	17,511	150	37,382	42,500	-
Excess (deficiency) of receipts over disbursements	-	-	10,701	15,761	(6,457)	-
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	-	-	10,701	15,761	(6,457)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (6,457)	\$ -

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

	FY14 Title III Language Instruction	FY15 Title III, Lang Instr	FY16 Title III	Payroll Clearing	Prepaid Lunch	Totals
Cash and investments - beginning	\$ (1,004)	\$ -	\$ -	\$ 51,940	\$ 11,616	\$ 10,377,808
Receipts:						
Local sources	-	-	-	-	-	8,036,346
Intermediate sources	-	-	-	-	-	597
State sources	-	-	-	-	-	15,133,157
Federal sources	1,558	18,370	-	-	-	1,338,736
Other receipts	-	-	-	4,021,424	421,413	4,479,251
Total receipts	1,558	18,370	-	4,021,424	421,413	28,988,087
Disbursements:						
Instruction	-	19,528	-	-	-	11,607,332
Support services	554	597	-	-	-	7,715,880
Noninstructional services	-	98	-	-	-	1,251,894
Facilities acquisition and construction	-	-	-	-	-	2,380,713
Debt service	-	-	-	-	-	2,277,543
Nonprogrammed charges	-	-	-	4,027,046	418,841	4,447,887
Total disbursements	554	20,223	-	4,027,046	418,841	29,681,249
Excess (deficiency) of receipts over disbursements	1,004	(1,853)	-	(5,622)	2,572	(693,162)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	68,420
Transfers in	-	-	-	-	-	300,060
Transfers out	-	-	-	-	-	(300,060)
Total other financing sources (uses)	-	-	-	-	-	68,420
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,004	(1,853)	-	(5,622)	2,572	(624,742)
Cash and investments - ending	\$ -	\$ (1,853)	\$ -	\$ 46,318	\$ 14,188	\$ 9,753,066

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 1,604,025	\$ 1,045,076	\$ 355,147	\$ 1,705,704	\$ 1,782,076	\$ 801,821	\$ 897,930
Receipts:							
Local sources	105,428	1,690,752	605,382	2,785,205	1,309,156	270,265	73,988
Intermediate sources	597	-	-	-	-	-	-
State sources	15,120,475	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	12,344	-	-	19,214	773	-	-
Total receipts	15,238,844	1,690,752	605,382	2,804,419	1,309,929	270,265	73,988
Disbursements:							
Instruction	10,802,293	-	-	-	-	-	350,708
Support services	4,311,679	-	-	957,458	1,283,919	303,272	34,936
Noninstructional services	214,439	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,819,148	-	-	3,500
Debt service	-	1,675,798	604,284	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	15,328,411	1,675,798	604,284	2,776,606	1,283,919	303,272	389,144
Excess (deficiency) of receipts over disbursements	(89,567)	14,954	1,098	27,813	26,010	(33,007)	(315,156)
Other financing sources (uses):							
Sale of capital assets	70	-	-	14,120	-	-	-
Transfers in	-	-	-	-	-	-	300,000
Transfers out	-	-	-	(120,000)	(150,000)	(30,000)	-
Total other financing sources (uses)	70	-	-	(105,880)	(150,000)	(30,000)	300,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(89,497)	14,954	1,098	(78,067)	(123,990)	(63,007)	(15,156)
Cash and investments - ending	\$ 1,514,528	\$ 1,060,030	\$ 356,245	\$ 1,627,637	\$ 1,658,086	\$ 738,814	\$ 882,774

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

	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	TLHS - RMS - ML Construction	HS - RMS Construction	2016 Building for the Future	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 894,390	\$ 18,578	\$ -	\$ 106,329	\$ -	\$ 30,717	\$ 146,154
Receipts:							
Local sources	1,594	-	-	16	-	405,598	169,769
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	11,596	94,768
Federal sources	-	-	-	-	-	640,822	-
Other receipts	-	-	-	-	-	600	15
Total receipts	1,594	-	-	16	-	1,058,616	264,552
Disbursements:							
Instruction	22,575	-	-	-	-	-	-
Support services	-	2,330	-	-	-	600	236,718
Noninstructional services	-	-	-	-	-	1,023,795	-
Facilities acquisition and construction	-	-	-	106,345	286,484	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	22,575	2,330	-	106,345	286,484	1,024,395	236,718
Excess (deficiency) of receipts over disbursements	(20,981)	(2,330)	-	(106,329)	(286,484)	34,221	27,834
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	64,061
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	64,061
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,981)	(2,330)	-	(106,329)	(286,484)	34,221	91,895
Cash and investments - ending	\$ 873,409	\$ 16,248	\$ -	\$ -	\$ (286,484)	\$ 64,938	\$ 238,049

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

	Levy Excess	Joint Services and Supply - Area Vocational School	Area 10 Discretionary	2012/13 Life Academy	2013/14 Life Academy	Music Appreciation	Alt Ed 15/16
Cash and investments - beginning	\$ 526	\$ 124,678	\$ 195,747	\$ 701	\$ 1,323	\$ 26,799	\$ -
Receipts:							
Local sources	-	222,144	355	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	36,542
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	222,144	355	-	-	-	36,542
Disbursements:							
Instruction	-	194,445	8,299	701	1,323	23,899	12,500
Support services	-	4,536	1,728	-	-	-	6,108
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,800	-	-	-	-	-
Total disbursements	-	200,781	10,027	701	1,323	23,899	18,608
Excess (deficiency) of receipts over disbursements	-	21,363	(9,672)	(701)	(1,323)	(23,899)	17,934
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	13,146	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	13,146	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	21,363	3,474	(701)	(1,323)	(23,899)	17,934
Cash and investments - ending	\$ 526	\$ 146,041	\$ 199,221	\$ -	\$ -	\$ 2,900	\$ 17,934

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

	2015 Lit Early Intervention	2015/2016 Early Intervent	Music Appreciation Fund	Nipsco-WC Econ Dev Org	Centurylink C M WMS Foundation	ML - Donations to Music Dept	Monsanto Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5,000	\$ 7,832	\$ 2,000	\$ -
Receipts:							
Local sources	-	-	-	-	9,796	463	10,000
Intermediate sources	-	-	-	-	-	-	-
State sources	-	39,757	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	39,757	-	-	9,796	463	10,000
Disbursements:							
Instruction	-	24,588	-	-	-	853	-
Support services	-	2,058	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	5,000	7,832	220	10,000
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	26,646	-	5,000	7,832	1,073	10,000
Excess (deficiency) of receipts over disbursements	-	13,111	-	(5,000)	1,964	(610)	-
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	-	13,111	-	(5,000)	1,964	(610)	-
Cash and investments - ending	\$ -	\$ 13,111	\$ -	\$ -	\$ 9,796	\$ 1,390	\$ -

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

	Fuel Up to Play 60	Donations Including Benevity	East Lawn PTO Technology Donate	TL Friends Flower Fund	Auto Service & Donation	ML Target Field Trips	OL Comp Clubs Walmart
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 279	\$ -	\$ -
Receipts:							
Local sources	3,400	5,267	6,100	894	-	706	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>3,400</u>	<u>5,267</u>	<u>6,100</u>	<u>894</u>	<u>-</u>	<u>706</u>	<u>-</u>
Disbursements:							
Instruction	3,120	-	-	-	-	574	-
Support services	-	-	-	338	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	5,000	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>3,120</u>	<u>5,000</u>	<u>-</u>	<u>338</u>	<u>-</u>	<u>574</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>280</u>	<u>267</u>	<u>6,100</u>	<u>556</u>	<u>-</u>	<u>132</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>280</u>	<u>267</u>	<u>6,100</u>	<u>556</u>	<u>-</u>	<u>132</u>	<u>-</u>
Cash and investments - ending	<u>\$ 280</u>	<u>\$ 267</u>	<u>\$ 6,100</u>	<u>\$ 556</u>	<u>\$ 279</u>	<u>\$ 132</u>	<u>\$ -</u>

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

	PSI IOTA XI-Jump Start	WL Outdoor Education Center	WC Comm Found-ML Kiln	SWCD- Insect Investigations	REMC HS Choral Equipment	HS - REMC Battle of the Books	TL Teacher Appreciation Donation
Cash and investments - beginning	\$ 1,999	\$ 1,003	\$ -	\$ -	\$ 500	\$ 63	\$ 129
Receipts:							
Local sources	2,000	-	2,000	-	-	600	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	2,000	-	2,000	-	-	600	-
Disbursements:							
Instruction	4,271	-	-	-	-	598	-
Support services	-	-	-	-	-	-	129
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	2,000	-	500	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	4,271	-	2,000	-	500	598	129
Excess (deficiency) of receipts over disbursements	(2,271)	-	-	-	(500)	2	(129)
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	(2,271)	-	-	-	(500)	2	(129)
Cash and investments - ending	\$ (272)	\$ 1,003	\$ -	\$ -	\$ -	\$ 65	\$ -

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

	Partners Drug Free White County	2015 Prtnrs Drug Free White Co	2016 Prtnrs Drug Free White Co	Striving for Excellence	ML Nature Center Home Depot	Masonic Special Education Kids	REMC Grants- Aug 2013 Forward
Cash and investments - beginning	\$ 49	\$ 2,900	\$ -	\$ 19,809	\$ -	\$ 340	\$ -
Receipts:							
Local sources	-	-	2,200	2,635	-	-	1,128
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	2,200	2,635	-	-	1,128
Disbursements:							
Instruction	-	-	-	3,210	-	-	828
Support services	49	2,697	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	49	2,697	-	3,210	-	-	828
Excess (deficiency) of receipts over disbursements	(49)	(2,697)	2,200	(575)	-	-	300
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	(49)	(2,697)	2,200	(575)	-	-	300
Cash and investments - ending	\$ -	\$ 203	\$ 2,200	\$ 19,234	\$ -	\$ 340	\$ 300

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

	2013/14 High Ability	2014/2015 High Ability	15/16 High Ability	Common Sch Tech Advance	Medicaid Reimbursement	Secured Schools Safety Grant	Scholarships and Awards
Cash and investments - beginning	\$ -	\$ 6,125	\$ -	\$ -	\$ -	\$ (5,588)	\$ 1,217
Receipts:							
Local sources	-	-	-	-	-	-	112,233
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	35,359	110,000	16,878	30,604	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	35,359	110,000	16,878	30,604	112,233
Disbursements:							
Instruction	-	6,125	29,989	-	-	-	-
Support services	-	-	-	110,000	16,878	29,495	100,920
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	6,125	29,989	110,000	16,878	29,495	100,920
Excess (deficiency) of receipts over disbursements	-	(6,125)	5,370	-	-	1,109	11,313
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	-	(6,125)	5,370	-	-	1,109	11,313
Cash and investments - ending	\$ -	\$ -	\$ 5,370	\$ -	\$ -	\$ (4,479)	\$ 12,530

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

	NESP 14/15	NESP 15/16	School Technology	Technology Repair & Replace	Title I 12/13	Title I 13/14	14/15 Title I
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,827)
Receipts:							
Local sources	-	-	-	7,963	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	27,265	4,404	-	-	-	-
Federal sources	-	-	-	-	-	-	80,805
Other receipts	-	-	-	-	-	-	-
Total receipts	-	27,265	4,404	7,963	-	-	80,805
Disbursements:							
Instruction	-	11,464	-	-	-	-	49,052
Support services	-	4,173	3,240	300	-	-	926
Noninstructional services	-	1,942	-	-	-	-	-
Facilities acquisition and construction	-	-	-	4,008	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	17,579	3,240	4,308	-	-	49,978
Excess (deficiency) of receipts over disbursements	-	9,686	1,164	3,655	-	-	30,827
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	-	9,686	1,164	3,655	-	-	30,827
Cash and investments - ending	\$ -	\$ 9,686	\$ 1,164	\$ 3,655	\$ -	\$ -	\$ -

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

	15/16 Title I, Part A	FY 13 IDEA PT B (611) CEIS	FY14 Idea Pt B CEIS	Perkins FY14	Perkins FY15	FY16 Perkins	Perkins CTE Rural Sch Compte
Cash and investments - beginning	\$ -	\$ -	\$ (7,468)	\$ -	\$ (41,664)	\$ -	\$ (549)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	265,836	-	18,168	-	101,833	136,934	100,000
Other receipts	-	-	-	-	-	-	-
Total receipts	265,836	-	18,168	-	101,833	136,934	100,000
Disbursements:							
Instruction	273,955	-	10,700	-	28,929	112,168	94,475
Support services	15,916	-	-	-	23,070	33,632	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	289,871	-	10,700	-	51,999	145,800	94,475
Excess (deficiency) of receipts over disbursements	(24,035)	-	7,468	-	49,834	(8,866)	5,525
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(8,170)	-	(4,976)
Total other financing sources (uses)	-	-	-	-	(8,170)	-	(4,976)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,035)	-	7,468	-	41,664	(8,866)	549
Cash and investments - ending	\$ (24,035)	\$ -	\$ -	\$ -	\$ -	\$ (8,866)	\$ -

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

	Perkins Leadership TI PTB 124	Medicaid Reimbursement - Federal	FY12 Title II PT A Teacher Quality	FY13 Title II PT A Teacher Quality	FFY14 Imprv Tchr Qual TII Pt A	FFY15 TII Pt A
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (6,457)	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	88,716	30,761	-	-	49,669	31,638
Other receipts	-	-	-	-	-	-
Total receipts	88,716	30,761	-	-	49,669	31,638
Disbursements:						
Instruction	91,943	-	-	-	-	-
Support services	-	30,761	-	-	43,212	43,381
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	91,943	30,761	-	-	43,212	43,381
Excess (deficiency) of receipts over disbursements	(3,227)	-	-	-	6,457	(11,743)
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	(3,227)	-	-	-	6,457	(11,743)
Cash and investments - ending	\$ (3,227)	\$ -	\$ -	\$ -	\$ -	\$ (11,743)

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

	FY14 Title III Language Instruction	FY15 Title III, Lang Instr	FY16 Title III	Payroll Clearing	Prepaid Lunch	Totals
Cash and investments - beginning	\$ -	\$ (1,853)	\$ -	\$ 46,318	\$ 14,188	\$ 9,753,066
Receipts:						
Local sources	-	-	-	-	-	7,807,037
Intermediate sources	-	-	-	-	-	597
State sources	-	-	-	-	-	15,527,648
Federal sources	-	5,619	20,111	-	-	1,570,912
Other receipts	-	-	-	4,051,977	407,452	4,492,375
Total receipts	-	5,619	20,111	4,051,977	407,452	29,398,569
Disbursements:						
Instruction	-	3,691	20,087	-	-	12,187,363
Support services	-	75	950	-	-	7,605,484
Noninstructional services	-	-	-	-	-	1,240,176
Facilities acquisition and construction	-	-	-	-	-	2,250,037
Debt service	-	-	-	-	-	2,280,082
Nonprogrammed charges	-	-	-	4,047,841	405,867	4,455,508
Total disbursements	-	3,766	21,037	4,047,841	405,867	30,018,650
Excess (deficiency) of receipts over disbursements	-	1,853	(926)	4,136	1,585	(620,081)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	78,251
Transfers in	-	-	-	-	-	313,146
Transfers out	-	-	-	-	-	(313,146)
Total other financing sources (uses)	-	-	-	-	-	78,251
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,853	(926)	4,136	1,585	(541,830)
Cash and investments - ending	\$ -	\$ -	\$ (926)	\$ 50,454	\$ 15,773	\$ 9,211,236

TWIN LAKES SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Twin Lakes School Building Corporation	Improvements to School Corporation - 2008	\$ 260,500	01/15/2009	01/15/2019
Twin Lakes School Building Corporation	Improvements to School Corporation - 2012	<u>1,325,000</u>	07/15/2013	01/15/2019
Total of annual lease payments		<u>\$ 1,585,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	PENSION REFUNDING 2011A	\$ 532,503	\$ 380,851
General obligation bonds	PENSION SERIES II-2006 kna Amended 2015A	335,000	120,243
Notes and loans payable	COMMON SCHOOL TECHNOLOGY - A1957	<u>91,667</u>	<u>37,492</u>
Totals		<u>\$ 959,170</u>	<u>\$ 538,586</u>

TWIN LAKES SCHOOL CORPORATION
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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 3,529,192
Buildings	64,771,300
Improvements other than buildings	14,052,860
Machinery, equipment, and vehicles	<u>5,684,073</u>
Total capital assets	<u>\$ 88,037,425</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE TWIN LAKES SCHOOL CORPORATION, WHITE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2016-002 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, 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 Special Education Cluster (IDEA) for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

Other 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 a material weakness.

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

May 23, 2018

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.

TWIN LAKES SCHOOL CORPORATION
 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	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed 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	FY 2015, FY 2016	\$ -	\$ 81,175	\$ -	\$ 86,593
National School Lunch Program	Indiana Department of Education	10.555	FY 2015, FY 2016	-	512,009	-	554,229
National School Lunch Program				-	82,938	-	88,839
National School Lunch Program - Commodities				-	-	-	-
Total - National School Lunch Program				-	594,947	-	643,068
Total - Child Nutrition Cluster				-	676,122	-	729,661
Total - Department of Agriculture				-	676,122	-	729,661
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
Spec Ed Part B FY 2013	Indiana Department of Education	84.027	FY 2013	-	4,740	-	-
Spec Ed Part B 2013-2015 FY 14				-	465,365	-	-
Special Ed FY 14 Part B Tech Assistance				-	8,391	-	3,249
Special Ed Part B 611 FY 2015				-	129,493	-	449,415
Spec Ed Part B FY 2016				-	-	-	90,656
Total - Special Education_Grants to States				-	607,989	-	543,320
Special Education_Preschool Grants							
Special Ed Part B 619 Preschool FY 2014	Indiana Department of Education	84.173	FY 2014	-	9,415	-	1,221
Special Ed Part B 619 Preschool FY 2015				-	4,295	-	13,647
Special Ed Part B 619 Preschool FY 2016				-	-	-	2,784
Total - Special Education_Preschool Grants				-	13,710	-	17,652
Total - Special Education Cluster (IDEA)				-	621,699	-	560,972
Title I Grants to Local Education Agencies							
Title I Basic Grant	Indiana Department of Education	84.010	FY 2014	-	100,746	-	-
Title I Basic Grant				-	250,557	-	82,138
Title I Basic Grant				-	-	-	264,504
Total - Title I Grants to Local Educational Agencies				-	351,303	-	346,642

TWIN LAKES SCHOOL CORPORATION
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	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Career and Technical Education -- Basic Grants to States	Indiana Department of Education	84.048					
Carl Perkins 2013-2014			FY 2014	-	126,513	-	-
Carl Perkins 2014-2015			FY 2015	-	59,407	-	233,954
Carl Perkins 2015-2016			FY 2016	-	-	-	193,529
Total - Career and Technical Education -- Basic Grants to States				-	185,920	-	427,483
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 12-14			FY 2013	-	554	-	-
Title III 13-15			FY 2014	-	1,004	-	-
Title III 14-16			FY 2015	-	18,370	-	5,619
Title III 15-17			FY 2016	-	-	-	20,111
Total - English Language Acquisition State Grants				-	19,928	-	25,730
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIA 2012-2014			FY 2013	-	10,851	-	-
Title IIA 2013-2015			FY 2014	-	53,143	-	-
Title IIA 2014-2016			FY 2015	-	36,043	-	49,669
Title IIA 2015-2017			FY 2016	-	-	-	31,638
Total - Supporting Effective Instruction State Grants				-	100,037	-	81,307
Total - Department of Education				-	1,278,887	-	1,442,134
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Family and Social Services	93.778	FY 2015, FY 2016	-	17,511	-	30,761
Total - Department of Health and Human Services				-	17,511	-	30,761
Total federal awards expended				\$ -	\$ 1,972,520	\$ -	\$ 2,202,556

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

TWIN LAKES SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

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

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant 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 for all programs except Special Education Cluster (IDEA), which was qualified
Any audit finding disclosed that is 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
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.048	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: Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation had not established an effective internal control system over the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the Schedule of Expenditures of Federal Awards (SEFA).

Context

Due to the lack of controls, the SEFA contained the following errors:

1. The National School Lunch Program did not include commodities, which resulted in an understatement of federal expenditures for the 2015 and 2106 fiscal years of \$82,938 and \$88,839, respectively.
2. The Special Education Cluster (IDEA) was understated in fiscal year 2015 by \$550,846 and overstated in fiscal year 2016 by \$18,168.

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. . . ."

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:

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

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

Effect

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

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.

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015, FY2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

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 was a participating member school corporation of the Logansport Area Joint Special Education Cooperative (Cooperative). Logansport Community Schools was the fiscal agent and administrator of the Cooperative. The School Corporation relied on the Cooperative to comply with the Procurement and Suspension and Debarment compliance requirement of the Special Education Cluster (IDEA) programs. Because the grant agreements were between the Indiana Department of Education and each member school corporation of the Cooperative, each member school corporation was ultimately responsible for ensuring compliance with the compliance requirement.

Procurement

The School Corporation had not established effective controls to ensure that its Procurement policies were followed.

The School Corporation failed to comply with the procurement requirement that small purchases must be in compliance with its procurement procedures and state laws and procedures. Small purchase procedures were not followed which required that price or rate quotations be obtained from an adequate number of qualified sources. There were no quotes obtained for the noncontracted purchases during the audit period. Contracted procurement was not conducted in a manner that encouraged full and open competition.

Suspension and Debarment

The School Corporation had not established effective controls to ensure that vendors were not suspended or debarred or otherwise excluded from participation in federal assistance programs.

The School Corporation did not perform any procedures to ensure that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

The lack of controls occurred throughout the audit period and noncompliance were systemic issues throughout the 2016 school year.

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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). . . ."

2CFR 200.320(b) states:

"Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or 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."

2 CRF 180.300 states:

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

You do this by:

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

Logansport Community Schools Policy 6325 - PROCUREMENT - FEDERAL GRANTS/FUNDS
states:

"Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and is in accordance with good administrative practice and sound business judgment. . . .

TWIN LAKES SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Procurement Methods

The Corporation shall utilize the following methods of procurement:

A. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment amounts to \$150,000 and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Indiana statute."

Cause

The School Corporation had not developed a system of internal controls to ensure compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and 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 to ensure compliance and comply with the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



Twin Lakes School Corporation

Michael Galvin, Superintendent

Margie L. Reynolds, Treasurer

565 South Main Street

Monticello, Indiana 47960

Telephone: 574-583-7211 · www.tlschools.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: July 1, 2012 – June 30, 2014

Pass-Through Entity, if pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Margie L. Reynolds, Treasurer, Pat Berger, Cafeteria Director and Dr. Fletcher, Superintendent, retired.

Internal Controls over the School Breakfast and National School Lunch Program

Contact Phone Number: 574-583-7211

Status of Audit Finding: Internal controls have been established by the school corporation. Segregation of duties have been defined and accomplished by Pat Berger, Cafeteria Director

FINDING 2014-002

Fiscal year in which the finding initially occurred: July 1, 2012 – June 30, 2014

Pass-Through Entity, if pass-through of Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Margie L. Reynolds, Treasurer and James Stradling, Director of Indian Trails Cooperative

Internal Controls over the Career and Technical Education Basic Grants to States Program

TLSC Contact Phone Number: 574-583-7211

James Stradling Contact Phone Number: 574-870-6015

Status of Audit Finding: Internal controls have been established by the school corporation. Segregation of duties have been defined and accomplished by James Stradling, Director of Indian Trails Cooperative.



Twin Lakes School Corporation

Michael Galvin, Superintendent

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CORRECTIVE ACTION PLAN

FINDING 2016-001

Subject: Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

The School Corporation had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units financial reporting system, which is the source for the Schedule of Expenditures of Federal Awards (SEFA).

Contact Person Responsible for Corrective Action: Michael L. Galvin, Superintendent, Margie L. Reynolds, Treasurer
Contact Phone Number: 574-583-7211

Description of Corrective Action Plan:

The Superintendent, Treasurer and Food Service Director will work together to determine the accurate value of Commodities. The Treasurer has since corrected the prior SEFAs and has entered the commodity value in subsequent SEFAs.

The Superintendent, Treasurer, and Special Education Director will work together, to the best of their knowledge and ability, accurately state the Special Education Cluster (IDEA) in the SEFA.

Anticipated Completion Date: April 1, 2018

FINDING 2016-002

Contact Person Responsible for Corrective Action: Michael L. Galvin, Superintendent, Special Education Director
Contact Phone Number: 574-583-7211

Views of Responsible Official:

Subject: Special Education Cluster - Procurement, Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015, FY2016

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Qualified Opinion

Description of Corrective Action Plan:

The Superintendent will work with the Special Education Director to verify that the Procurement, Suspension and Debarment compliance requirement corrective action plan per The Logansport Community School Corporation is being followed.

Anticipated Completion Date: April 1, 2018

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/>.