

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LAKE RIDGE SCHOOLS  
LAKE COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**

06/29/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edward R. Sopko	07-01-15 to 06-30-18
Superintendent of Schools	Sharon Johnson-Shirley, Ed. D.	07-01-15 to 06-30-18
President of the School Board	Glenn Johnson	07-01-15 to 06-30-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE LAKE RIDGE SCHOOLS, LAKE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Lake Ridge Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

***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, 2015 to June 30, 2017, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 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

June 4, 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 LAKE RIDGE SCHOOLS, LAKE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Lake Ridge School (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated June 4, 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 that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 2017-001 to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002 to be a significant deficiency.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

**Lake Ridge Schools' Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

June 4, 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.

LAKE RIDGE SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 4,921,020	\$ 15,664,602	\$ 14,974,672	\$ 443	\$ 5,611,393	\$ 15,941,476	\$ 14,867,175	\$ (998,917)	\$ 5,686,777
Debt Service	19,527	1,003,023	809,999	-	212,551	1,421,896	1,251,654	(200,000)	182,793
Exempt Debt	1,271,334	2,192,827	2,396,140	-	1,068,021	2,081,116	2,357,707	-	791,430
Exempt Pension Debt	20,817	170,027	85,485	-	105,359	237,957	512,786	-	(169,470)
Capital Projects	257,106	837,841	914,881	-	180,066	721,570	943,748	-	(42,112)
School Transportation	1,748,146	1,245,888	1,195,543	-	1,798,491	1,254,602	1,246,164	(722,000)	1,084,929
School Bus Replacement	501,625	89,079	-	-	590,704	25,543	-	(300,000)	316,247
Rainy Day	2,722,599	74,762	1,192,156	-	1,605,205	-	55,584	2,297,511	3,847,132
Post-Retirement/Severance Future Benefits	1,283,052	267	73,851	-	1,209,468	100	72,943	-	1,136,625
Common School	11,492	-	-	-	11,492	-	-	-	11,492
CHS Pool Renovation	-	-	894,871	1,020,000	125,129	10,129	134,513	-	745
School Lunch	925,743	1,637,563	2,199,534	-	363,772	1,761,096	1,459,532	-	665,336
Textbook Rental	242,132	157,926	158,340	-	241,718	170,237	123,163	200,000	488,792
Self-Insurance	652,977	1,709,894	1,682,272	-	680,599	1,793,191	1,702,821	-	770,969
Safe School Comm	-	-	-	-	-	3,316	-	-	3,316
Historical Society (Andrew Lloyd Webber)	-	-	-	-	-	15,000	1,040	-	13,960
Educational License Plates	881	94	-	-	975	75	-	-	1,050
Safe Haven 2014-15	(4,020)	4,020	-	-	-	-	-	-	-
Safe Haven 2015-16	-	15,000	15,000	-	-	-	-	-	-
Indiana Early Lit Intervention 2014	20	-	-	-	20	-	-	(20)	-
Ileig Early Literacy 15-16	-	-	-	-	-	-	11,484	-	(11,484)
Ileig Early Literacy 16-17	-	-	-	-	-	9,130	2,890	-	6,240
2017-18 Lilly	-	-	-	-	-	30,000	15,465	-	14,535
Best Buy Gift	86	-	-	-	86	-	-	(86)	-
Donations New Tech High	5,347	-	170	-	5,177	-	-	-	5,177
Head Start Promos/Donations	2,197	450	-	-	2,647	3,900	1,727	57	4,877
Organizations/Donations	-	15,544	5,009	-	10,535	3,354	3,092	-	10,797
Athletic Donation	-	-	-	-	-	9,855	3,123	-	6,732
IN Youth Inst.	-	-	-	-	-	734	-	-	734
Scoreboard Advantage/Advertisement/Donation	-	-	-	-	-	2,000	-	-	2,000
Citizens Savings (Local Grant Donations)	-	50,000	43,238	-	6,762	-	6,762	-	-
Library Grant	-	-	663	-	(663)	-	-	-	(663)
CHS Scholarships	24,804	6,000	400	-	30,404	3,000	11,600	-	21,804
ACT Aspire Study Scholarship	1,000	-	-	-	1,000	-	-	-	1,000
Health Clinic Initiative	(1,506)	-	-	-	(1,506)	-	-	1,506	-
SWCD Grant Outdoors	1,035	-	-	-	1,035	-	-	(1,035)	-
ACT Aspire Student Incentives	250	-	-	-	250	-	-	-	250
Formative Assessment	-	23,197	16,856	-	6,341	25,280	31,621	-	-
Tech Prep Staff Development	1,764	-	-	-	1,764	-	-	-	1,764
Technical Assistance	12,639	-	-	-	12,639	-	-	-	12,639
Computer Consortium/Ed Tech Advance	-	-	-	-	-	-	-	-	-
State Adult Education 2014-15	(14,720)	28,467	13,747	-	-	-	-	-	-
State Adult Education 2015-16	-	93,564	99,868	-	(6,304)	20,925	14,736	115	-
State Adult Education 2016-17	-	-	-	-	-	81,701	99,831	-	(18,130)
High Ability 2014-15	13,943	-	13,943	-	-	-	-	-	-
High Ability 2015-16	-	32,830	25,073	-	7,757	-	7,757	-	-
High Ability 2016-17	-	-	-	-	-	33,054	31,428	-	1,626
Secured Schools Safety Grant	(30,400)	50,000	69,600	-	(50,000)	100,000	50,000	-	-
Non-English Speaking Program 2014-15	125	-	26	-	99	-	-	-	99
Non-English Speaking Program 2015-16	-	12,786	11,225	-	1,561	-	1,559	-	2
Non-English Speaking Program 2016-17	-	-	-	-	-	15,990	13,915	-	2,075
Technology Grants [IC 20-40-15]	-	-	-	-	-	2,528	36,130	57,101	23,499

LAKE RIDGE SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Career and Technical Performance Grant	-	-	-	-	-	26,314	-	-	26,314
E Rate Reimbursement	198,854	29,639	125,168	-	103,325	32,455	78,679	(57,101)	-
Excellence in Performance Grant	-	-	-	-	-	-	11,487	-	(11,487)
Indiana School Academic Improvement	10,579	-	-	-	10,579	-	-	-	10,579
Tech Literacy	-	-	-	-	-	550	-	-	550
Vending	4,700	3,301	412	-	7,589	3,595	350	-	10,834
State Formative	-	-	5,884	-	(5,884)	-	(5,884)	-	-
LR/HP SIG 1003a	-	-	-	-	-	-	16,466	-	(16,466)
LRNTMS SIG 1003a	-	-	-	-	-	14,855	14,855	-	-
Hosfrd SIG 1003a	-	-	771	-	(771)	9,132	8,361	-	-
Title I 2016-17	-	-	-	-	-	828,795	900,353	-	(71,558)
LRMS SIG 1003g	-	-	34	-	(34)	140,416	179,599	-	(39,217)
HP SIG 1003g	-	-	-	-	-	117,939	153,602	-	(35,663)
Title I 2014-15	(275,164)	448,468	173,304	-	-	-	-	-	-
Title I MS SIG	(85,036)	130,908	45,872	-	-	-	-	-	-
Title I 2015-16	-	848,432	983,401	-	(134,969)	344,716	209,747	-	-
Title I SIG 1003g-LRNTMS Yr 2	-	86,158	215,347	-	(129,189)	174,841	45,652	-	-
Title I SIG 1003g-Hosford Yr 1	-	26,611	212,407	-	(185,796)	356,513	170,717	-	-
Adult Basic Education 2014-15	(7,947)	14,949	6,605	-	397	-	-	-	397
Adult Basic Education 2015-16	-	37,632	43,061	-	(5,429)	20,260	14,831	-	-
Fed Adult Education 2016-17	-	-	-	-	-	6,440	45,090	-	(38,650)
Team Nutrition Training/Wellness Grant	414	-	-	-	414	-	-	-	414
Head Start StartUp	-	-	-	-	-	-	2,875	-	(2,875)
Project Head Start 2015	(92,065)	539,136	447,071	-	-	-	-	-	-
2016 Head Start	-	177,969	292,292	-	(114,323)	537,940	423,617	-	-
2017 Head Start	-	-	-	-	-	165,634	286,409	-	(120,775)
21st Century Community 2013-14	(206)	-	-	-	(206)	-	-	206	-
21st Century Community 2014-15	(160,078)	172,932	12,854	-	-	-	-	-	-
21st Century Community 2015-16	(4,761)	131,305	163,000	-	(36,456)	42,750	6,294	-	-
16-17 Hi Def	-	-	3,197	-	(3,197)	62,345	145,328	-	(86,180)
Hi Def Sup 17	-	-	-	-	-	-	57,364	-	(57,364)
Title II Part A 2007-09	5,082	-	-	-	5,082	-	-	-	5,082
Title II Part A 2014-16	(29,218)	102,629	103,511	-	(30,100)	30,100	-	-	-
Title II Part A 2015-17	-	-	31,918	-	(31,918)	133,263	101,249	-	96
Title II Part A 2016-18	-	-	-	-	-	18,354	27,937	-	(9,583)
Title III - English Proficiency Migrant	(250)	-	-	-	(250)	-	-	-	(250)
Title III Part A 2012-13	(606)	-	-	-	(606)	-	-	-	(606)
Title III Part A 2013-15	(298)	2,028	1,918	-	(188)	-	-	-	(188)
Title III Part A 2014-16	(12,117)	12,411	1,263	-	(969)	1,319	294	-	56
Title III Part A 2015-17	-	-	8,492	-	(8,492)	11,030	2,538	-	-
Title III Part A 2016-18	-	-	-	-	-	6,510	7,742	-	(1,232)
Head Start Stimulus	57	-	-	-	57	-	-	(57)	-
New Technology Grants	46,531	-	15,500	-	31,031	-	31,031	-	-
Payroll	(80,791)	2,608,487	2,610,270	-	(82,574)	2,582,775	2,583,979	-	(83,778)
Benefit Clearing	-	159,317	159,317	-	-	186,463	186,463	-	-
Prepaid School Lunch	886	115,657	35,721	-	80,822	119,973	139,198	-	61,597
<b>Totals</b>	<b>\$ 14,109,581</b>	<b>\$ 30,763,620</b>	<b>\$ 32,591,152</b>	<b>\$ 1,020,443</b>	<b>\$ 13,302,492</b>	<b>\$ 31,754,032</b>	<b>\$ 30,918,173</b>	<b>\$ 277,280</b>	<b>\$ 14,415,631</b>

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

LAKE RIDGE SCHOOLS  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

LAKE RIDGE SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*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:

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

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

LAKE RIDGE SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

LAKE RIDGE SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

LAKE RIDGE SCHOOLS  
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. Negative Receipts and Disbursements**

The financial statement contains some receipts and disbursements, which appear as negative entries. This is a result of corrections to errors from prior accounting periods; the corrections include positive and negative journal entries to equal zero.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. At June 30, 2017, the Exempt Pension Debt and Capital Projects funds had cash balance deficits of \$169,470 and \$42,112, respectively. In addition, the Payroll fund had cash balance deficits at both June 30, 2016 and 2017, of \$82,574 and \$83,778, respectively. These cash balance deficits are the result of disbursements in excess of receipts to the funds. Other deficit balances are in various reimbursable grant funds for which the reimbursements of the expenditures were not received by June 30, 2016 and 2017.

LAKE RIDGE SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9.  *Holding Corporation***

The School Corporation has entered into capital leases with the Lake Ridge Multi School Building Corporation, formerly the Lake Ridge Schools Renovation Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2016 and 2017, totaled \$122,945 and \$592,798, respectively.

**Note 10.  *Subsequent Events***

On October 3, 2017, the School Corporation issued General Obligation Bonds Series 2017 in the amount of \$1,600,000 to be used for capital and technology improvements within the School Corporation.

**Note 11.  *Other Postemployment Benefits***

The School Corporation provides health insurance benefits to eligible retirees and their spouses. The School Corporation will contribute \$4,500 to each qualified retired teacher enrolled in the School Corporation's health insurance plan for each calendar year for no more than seven years or until age 65. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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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.ifonline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/Severance Future Benefits
Cash and investments - beginning	\$ 4,921,020	\$ 19,527	\$ 1,271,334	\$ 20,817	\$ 257,106	\$ 1,748,146	\$ 501,625	\$ 2,722,599	\$ 1,283,052
Receipts:									
Local sources	279,356	1,003,023	2,192,827	170,027	837,841	1,245,888	89,079	74,762	267
Intermediate sources	230	-	-	-	-	-	-	-	-
State sources	15,377,086	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	7,930	-	-	-	-	-	-	-	-
Total receipts	15,664,602	1,003,023	2,192,827	170,027	837,841	1,245,888	89,079	74,762	267
Disbursements:									
Instruction	8,448,861	-	-	-	-	-	-	-	-
Support services	6,090,321	-	-	-	776,481	1,195,543	-	-	73,851
Noninstructional services	414,838	-	-	-	-	-	-	-	-
Facilities acquisition and construction	20,652	-	-	-	138,400	-	-	1,192,156	-
Debt service	-	809,999	2,396,140	85,485	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,974,672	809,999	2,396,140	85,485	914,881	1,195,543	-	1,192,156	73,851
Excess (deficiency) of receipts over disbursements	689,930	193,024	(203,313)	84,542	(77,040)	50,345	89,079	(1,117,394)	(73,584)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	443	-	-	-	-	-	-	-	-
Total other financing sources (uses)	443	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	690,373	193,024	(203,313)	84,542	(77,040)	50,345	89,079	(1,117,394)	(73,584)
Cash and investments - ending	\$ 5,611,393	\$ 212,551	\$ 1,068,021	\$ 105,359	\$ 180,066	\$ 1,798,491	\$ 590,704	\$ 1,605,205	\$ 1,209,468

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

	Common School	CHS Pool Renovation	School Lunch	Textbook Rental	Self- Insurance	Safe School Comm	Historical Society (Andrew Lloyd Webber)	Educational License Plates	Safe Haven 2014-15
Cash and investments - beginning	\$ 11,492	\$ -	\$ 925,743	\$ 242,132	\$ 652,977	\$ -	\$ -	\$ 881	\$ (4,020)
Receipts:									
Local sources	-	-	66,479	19,156	1,491	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	94	-
State sources	-	-	1,761	138,770	-	-	-	-	4,020
Federal sources	-	-	1,569,323	-	-	-	-	-	-
Other receipts	-	-	-	-	1,708,403	-	-	-	-
Total receipts	-	-	1,637,563	157,926	1,709,894	-	-	94	4,020
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	12,156	158,340	-	-	-	-	-
Noninstructional services	-	-	1,438,026	-	-	-	-	-	-
Facilities acquisition and construction	-	894,871	749,352	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,682,272	-	-	-	-
Total disbursements	-	894,871	2,199,534	158,340	1,682,272	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(894,871)	(561,971)	(414)	27,622	-	-	94	4,020
Other financing sources (uses):									
Proceeds of long-term debt	-	1,020,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	1,020,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	125,129	(561,971)	(414)	27,622	-	-	94	4,020
Cash and investments - ending	\$ 11,492	\$ 125,129	\$ 363,772	\$ 241,718	\$ 680,599	\$ -	\$ -	\$ 975	\$ -

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

	Safe Haven 2015-16	Indiana Early Lit Intervention 2014	Ileig Early Literacy 15-16	Ileig Early Literacy 16-17	2017-18 Lilly	Best Buy Gift	Donations New Tech High	Head Start Promos/ Donations	Organizations/ Donations
Cash and investments - beginning	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ 86	\$ 5,347	\$ 2,197	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	450	15,544
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	15,000	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	15,000	-	-	-	-	-	-	450	15,544
Disbursements:									
Instruction	-	-	-	-	-	-	170	-	-
Support services	15,000	-	-	-	-	-	-	-	5,009
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,000	-	-	-	-	-	170	-	5,009
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(170)	450	10,535
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	(170)	450	10,535
Cash and investments - ending	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ 86	\$ 5,177	\$ 2,647	\$ 10,535

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

	Athletic Donation	IN Youth Inst.	Scoreboard Advantage/ Advertisement/ Donation	Citizens Savings (Local Grant Donations)	Library Grant	CHS Scholarships	ACT Aspire Study Scholarship	Health Clinic Initiative	SWCD Grant Outdoors
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,804	\$ 1,000	\$ (1,506)	\$ 1,035
Receipts:									
Local sources	-	-	-	50,000	-	6,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	50,000	-	6,000	-	-	-
Disbursements:									
Instruction	-	-	-	25,000	-	-	-	-	-
Support services	-	-	-	18,238	663	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	400	-	-	-
Total disbursements	-	-	-	43,238	663	400	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	6,762	(663)	5,600	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	6,762	(663)	5,600	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 6,762	\$ (663)	\$ 30,404	\$ 1,000	\$ (1,506)	\$ 1,035

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

	ACT Aspire Student Incentives	Formative Assessment	Tech Prep Staff Development	Technical Assistance	Computer Consortium/ Ed Tech Advance	State Adult Education 2014-15	State Adult Education 2015-16	State Adult Education 2016-17	High Ability 2014-15
Cash and investments - beginning	\$ 250	\$ -	\$ 1,764	\$ 12,639	\$ -	\$ (14,720)	\$ -	\$ -	\$ 13,943
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	23,197	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	28,467	93,564	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	23,197	-	-	-	28,467	93,564	-	-
Disbursements:									
Instruction	-	16,856	-	-	-	13,747	91,970	-	7,574
Support services	-	-	-	-	-	-	7,898	-	6,369
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,856	-	-	-	13,747	99,868	-	13,943
Excess (deficiency) of receipts over disbursements	-	6,341	-	-	-	14,720	(6,304)	-	(13,943)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,341	-	-	-	14,720	(6,304)	-	(13,943)
Cash and investments - ending	\$ 250	\$ 6,341	\$ 1,764	\$ 12,639	\$ -	\$ -	\$ (6,304)	\$ -	\$ -

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

	High Ability 2015-16	High Ability 2016-17	Secured Schools Safety Grant	Non-English Speaking Program 2014-15	Non-English Speaking Program 2015-16	Non-English Speaking Program 2016-17	Technology Grants [IC 20-40-15]	Career and Technical Performance Grant	E Rate Reimbursement
Cash and investments - beginning	\$ -	\$ -	\$ (30,400)	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ 198,854
Receipts:									
Local sources	-	-	-	-	-	-	-	-	29,639
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	32,830	-	-	-	12,786	-	-	-	-
Federal sources	-	-	50,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>32,830</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>12,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,639</u>
Disbursements:									
Instruction	23,763	-	-	26	11,225	-	-	-	10,296
Support services	1,310	-	69,600	-	-	-	-	-	114,872
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>25,073</u>	<u>-</u>	<u>69,600</u>	<u>26</u>	<u>11,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,168</u>
Excess (deficiency) of receipts over disbursements	<u>7,757</u>	<u>-</u>	<u>(19,600)</u>	<u>(26)</u>	<u>1,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,529)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<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>7,757</u>	<u>-</u>	<u>(19,600)</u>	<u>(26)</u>	<u>1,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,529)</u>
Cash and investments - ending	<u>\$ 7,757</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ 99</u>	<u>\$ 1,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,325</u>

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

	Excellence in Performance Grant	Indiana School Academic Improvement	Tech Literacy	Vending	State Formative	LR/HP SIG 1003a	LRNTMS SIG 1003a	Hosfrd SIG 1003a	Title I 2016-17
Cash and investments - beginning	\$ -	\$ 10,579	\$ -	\$ 4,700	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	3,301	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	3,301	-	-	-	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	412	5,884	-	-	771	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	412	5,884	-	-	771	-
Excess (deficiency) of receipts over disbursements	-	-	-	2,889	(5,884)	-	-	(771)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	2,889	(5,884)	-	-	(771)	-
Cash and investments - ending	\$ -	\$ 10,579	\$ -	\$ 7,589	\$ (5,884)	\$ -	\$ -	\$ (771)	\$ -

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	LRMS SIG 1003g	HP SIG 1003g	Title I 2014-15	Title I MS SIG	Title I 2015-16	Title I SIG 1003g-LRNTMS Yr 2	Title I SIG 1003g-Hosford Yr 1	Adult Basic Education 2014-15	Adult Basic Education 2015-16
Cash and investments - beginning	\$ -	\$ -	\$ (275,164)	\$ (85,036)	\$ -	\$ -	\$ -	\$ (7,947)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	448,468	130,908	848,432	86,158	26,611	14,949	37,632
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	448,468	130,908	848,432	86,158	26,611	14,949	37,632
Disbursements:									
Instruction	-	-	60,857	-	587,515	-	109,476	6,605	37,498
Support services	34	-	100,865	43,372	357,943	215,347	102,614	-	5,563
Noninstructional services	-	-	11,582	2,500	37,943	-	317	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	34	-	173,304	45,872	983,401	215,347	212,407	6,605	43,061
Excess (deficiency) of receipts over disbursements	(34)	-	275,164	85,036	(134,969)	(129,189)	(185,796)	8,344	(5,429)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34)	-	275,164	85,036	(134,969)	(129,189)	(185,796)	8,344	(5,429)
Cash and investments - ending	\$ (34)	\$ -	\$ -	\$ -	\$ (134,969)	\$ (129,189)	\$ (185,796)	\$ 397	\$ (5,429)

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	Fed Adult Education 2016-17	Team Nutrition Training/Wellness Grant	Head Start StartUp	Project Head Start 2015	2016 Head Start	2017 Head Start	21st Century Community 2013-14	21st Century Community 2014-15	21st Century Community 2015-16
Cash and investments - beginning	\$ -	\$ 414	\$ -	\$ (92,065)	\$ -	\$ -	\$ (206)	\$ (160,078)	\$ (4,761)
Receipts:									
Local sources	-	-	-	345	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	538,791	177,969	-	-	172,932	131,055
Other receipts	-	-	-	-	-	-	-	-	250
Total receipts	-	-	-	539,136	177,969	-	-	172,932	131,305
Disbursements:									
Instruction	-	-	-	435,675	288,190	-	-	11,528	94,398
Support services	-	-	-	9,872	3,628	-	-	1,326	68,602
Noninstructional services	-	-	-	1,524	474	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	447,071	292,292	-	-	12,854	163,000
Excess (deficiency) of receipts over disbursements	-	-	-	92,065	(114,323)	-	-	160,078	(31,695)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	92,065	(114,323)	-	-	160,078	(31,695)
Cash and investments - ending	\$ -	\$ 414	\$ -	\$ -	\$ (114,323)	\$ -	\$ (206)	\$ -	\$ (36,456)

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

	16-17 Hi Def	Hi Def Sup 17	Title II Part A 2007-09	Title II Part A 2014-16	Title II Part A 2015-17	Title II Part A 2016-18	Title III - English Proficiency Migrant	Title III Part A 2012-13	Title III Part A 2013-15
Cash and investments - beginning	\$ -	\$ -	\$ 5,082	\$ (29,218)	\$ -	\$ -	\$ (250)	\$ (606)	\$ (298)
Receipts:									
Local sources	-	-	-	102,629	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	2,028
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	102,629	-	-	-	-	2,028
Disbursements:									
Instruction	754	-	-	91,431	26,938	-	-	-	1,918
Support services	2,443	-	-	12,080	4,980	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	3,197	-	-	103,511	31,918	-	-	-	1,918
Excess (deficiency) of receipts over disbursements	(3,197)	-	-	(882)	(31,918)	-	-	-	110
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,197)	-	-	(882)	(31,918)	-	-	-	110
Cash and investments - ending	\$ (3,197)	\$ -	\$ 5,082	\$ (30,100)	\$ (31,918)	\$ -	\$ (250)	\$ (606)	\$ (188)

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	Title III Part A 2014-16	Title III Part A 2015-17	Title III Part A 2016-18	Head Start Stimulus	New Technology Grants	Payroll	Benefit Clearing	Prepaid School Lunch	Totals
Cash and investments - beginning	\$ (12,117)	\$ -	\$ -	\$ 57	\$ 46,531	\$ (80,791)	\$ -	\$ 886	\$ 14,109,581
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,188,104
Intermediate sources	-	-	-	-	-	-	-	-	324
State sources	-	-	-	-	-	-	-	-	15,605,450
Federal sources	12,411	-	-	-	-	-	-	-	4,369,698
Other receipts	-	-	-	-	-	2,608,487	159,317	115,657	4,600,044
Total receipts	12,411	-	-	-	-	2,608,487	159,317	115,657	30,763,620
Disbursements:									
Instruction	1,263	8,492	-	-	-	-	-	-	10,412,026
Support services	-	-	-	-	15,500	-	-	-	9,496,887
Noninstructional services	-	-	-	-	-	-	-	-	1,907,204
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,995,431
Debt service	-	-	-	-	-	-	-	-	3,291,624
Nonprogrammed charges	-	-	-	-	-	2,610,270	159,317	35,721	4,487,980
Total disbursements	1,263	8,492	-	-	15,500	2,610,270	159,317	35,721	32,591,152
Excess (deficiency) of receipts over disbursements	11,148	(8,492)	-	-	(15,500)	(1,783)	-	79,936	(1,827,532)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	1,020,000
Sale of capital assets	-	-	-	-	-	-	-	-	443
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,020,443
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,148	(8,492)	-	-	(15,500)	(1,783)	-	79,936	(807,089)
Cash and investments - ending	\$ (969)	\$ (8,492)	\$ -	\$ 57	\$ 31,031	\$ (82,574)	\$ -	\$ 80,822	\$ 13,302,492

LAKE RIDGE SCHOOLS  
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 For the Year Ended June 30, 2017

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/Severance Future Benefits
Cash and investments - beginning	\$ 5,611,393	\$ 212,551	\$ 1,068,021	\$ 105,359	\$ 180,066	\$ 1,798,491	\$ 590,704	\$ 1,605,205	\$ 1,209,468
Receipts:									
Local sources	517,691	1,421,896	2,081,116	237,957	721,570	1,254,602	25,543	-	100
Intermediate sources	2	-	-	-	-	-	-	-	-
State sources	15,401,356	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	22,427	-	-	-	-	-	-	-	-
Total receipts	15,941,476	1,421,896	2,081,116	237,957	721,570	1,254,602	25,543	-	100
Disbursements:									
Instruction	8,305,877	-	-	-	-	-	-	-	-
Support services	6,123,106	-	-	-	864,462	1,246,164	-	51,500	72,943
Noninstructional services	432,637	-	-	-	-	-	-	-	-
Facilities acquisition and construction	4,305	-	-	-	79,286	-	-	4,084	-
Debt service	1,250	1,251,654	2,357,707	512,786	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,867,175	1,251,654	2,357,707	512,786	943,748	1,246,164	-	55,584	72,943
Excess (deficiency) of receipts over disbursements	1,074,301	170,242	(276,591)	(274,829)	(222,178)	8,438	25,543	(55,584)	(72,843)
Other financing sources (uses):									
Sale of capital assets	1,767	-	-	-	-	-	-	275,511	-
Transfers in	1,143	-	-	-	-	-	-	2,022,000	-
Transfers out	(1,001,827)	(200,000)	-	-	-	(722,000)	(300,000)	-	-
Total other financing sources (uses)	(998,917)	(200,000)	-	-	-	(722,000)	(300,000)	2,297,511	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75,384	(29,758)	(276,591)	(274,829)	(222,178)	(713,562)	(274,457)	2,241,927	(72,843)
Cash and investments - ending	\$ 5,686,777	\$ 182,793	\$ 791,430	\$ (169,470)	\$ (42,112)	\$ 1,084,929	\$ 316,247	\$ 3,847,132	\$ 1,136,625

LAKE RIDGE SCHOOLS  
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	Common School	CHS Pool Renovation	School Lunch	Textbook Rental	Self- Insurance	Safe School Comm	Historical Society (Andrew Lloyd Webber)	Educational License Plates	Safe Haven 2014-15
Cash and investments - beginning	\$ 11,492	\$ 125,129	\$ 363,772	\$ 241,718	\$ 680,599	\$ -	\$ -	\$ 975	\$ -
Receipts:									
Local sources	-	10,129	170,685	170,237	213,566	3,316	15,000	-	-
Intermediate sources	-	-	-	-	-	-	-	75	-
State sources	-	-	2,276	-	-	-	-	-	-
Federal sources	-	-	1,588,135	-	-	-	-	-	-
Other receipts	-	-	-	-	1,579,625	-	-	-	-
Total receipts	-	10,129	1,761,096	170,237	1,793,191	3,316	15,000	75	-
Disbursements:									
Instruction	-	-	-	-	-	-	1,040	-	-
Support services	-	-	8,718	123,163	20,978	-	-	-	-
Noninstructional services	-	-	1,447,250	-	-	-	-	-	-
Facilities acquisition and construction	-	134,513	3,564	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,681,843	-	-	-	-
Total disbursements	-	134,513	1,459,532	123,163	1,702,821	-	1,040	-	-
Excess (deficiency) of receipts over disbursements	-	(124,384)	301,564	47,074	90,370	3,316	13,960	75	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	200,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	200,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(124,384)	301,564	247,074	90,370	3,316	13,960	75	-
Cash and investments - ending	\$ 11,492	\$ 745	\$ 665,336	\$ 488,792	\$ 770,969	\$ 3,316	\$ 13,960	\$ 1,050	\$ -

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Safe Haven 2015-16	Indiana Early Lit Intervention 2014	Ileig Early Literacy 15-16	Ileig Early Literacy 16-17	2017-18 Lilly	Best Buy Gift	Donations New Tech High	Head Start Promos/ Donations	Organizations/ Donations
Cash and investments - beginning	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ 86	\$ 5,177	\$ 2,647	\$ 10,535
Receipts:									
Local sources	-	-	-	-	30,000	-	-	3,900	3,354
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	9,130	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	9,130	30,000	-	-	3,900	3,354
Disbursements:									
Instruction	-	-	-	-	345	-	-	-	-
Support services	-	-	11,484	2,890	15,120	-	-	1,727	3,092
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	11,484	2,890	15,465	-	-	1,727	3,092
Excess (deficiency) of receipts over disbursements	-	-	(11,484)	6,240	14,535	-	-	2,173	262
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	57	-
Transfers out	-	(20)	-	-	-	(86)	-	-	-
Total other financing sources (uses)	-	(20)	-	-	-	(86)	-	57	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(20)	(11,484)	6,240	14,535	(86)	-	2,230	262
Cash and investments - ending	\$ -	\$ -	\$ (11,484)	\$ 6,240	\$ 14,535	\$ -	\$ 5,177	\$ 4,877	\$ 10,797

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Athletic Donation	IN Youth Inst.	Scoreboard Advantage/ Advertisement/ Donation	Citizens Savings (Local Grant Donations)	Library Grant	CHS Scholarships	ACT Aspire Study Scholarship	Health Clinic Initiative	SWCD Grant Outdoors
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 6,762	\$ (663)	\$ 30,404	\$ 1,000	\$ (1,506)	\$ 1,035
Receipts:									
Local sources	9,855	734	2,000	-	-	3,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	9,855	734	2,000	-	-	3,000	-	-	-
Disbursements:									
Instruction	878	-	-	-	-	-	-	-	-
Support services	100	-	-	6,762	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,145	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	11,600	-	-	-
Total disbursements	3,123	-	-	6,762	-	11,600	-	-	-
Excess (deficiency) of receipts over disbursements	6,732	734	2,000	(6,762)	-	(8,600)	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,506	-
Transfers out	-	-	-	-	-	-	-	-	(1,035)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,506	(1,035)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,732	734	2,000	(6,762)	-	(8,600)	-	1,506	(1,035)
Cash and investments - ending	\$ 6,732	\$ 734	\$ 2,000	\$ -	\$ (663)	\$ 21,804	\$ 1,000	\$ -	\$ -

LAKE RIDGE SCHOOLS  
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	ACT Aspire Student Incentives	Formative Assessment	Tech Prep Staff Development	Technical Assistance	Computer Consortium/ Ed Tech Advance	State Adult Education 2014-15	State Adult Education 2015-16	State Adult Education 2016-17	High Ability 2014-15
Cash and investments - beginning	\$ 250	\$ 6,341	\$ 1,764	\$ 12,639	\$ -	\$ -	\$ (6,304)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	25,280	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	20,925	81,701	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	25,280	-	-	-	-	20,925	81,701	-
Disbursements:									
Instruction	-	31,621	-	-	-	-	12,539	89,395	-
Support services	-	-	-	-	-	-	2,197	10,436	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	31,621	-	-	-	-	14,736	99,831	-
Excess (deficiency) of receipts over disbursements	-	(6,341)	-	-	-	-	6,189	(18,130)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	115	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	115	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,341)	-	-	-	-	6,304	(18,130)	-
Cash and investments - ending	\$ 250	\$ -	\$ 1,764	\$ 12,639	\$ -	\$ -	\$ -	\$ (18,130)	\$ -

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	High Ability 2015-16	High Ability 2016-17	Secured Schools Safety Grant	Non-English Speaking Program 2014-15	Non-English Speaking Program 2015-16	Non-English Speaking Program 2016-17	Technology Grants [IC 20-40-15]	Career and Technical Performance Grant	E Rate Reimbursement
Cash and investments - beginning	\$ 7,757	\$ -	\$ (50,000)	\$ 99	\$ 1,561	\$ -	\$ -	\$ -	\$ 103,325
Receipts:									
Local sources	-	-	-	-	-	-	2,528	-	32,455
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	33,054	50,000	-	-	15,990	-	3,930	-
Federal sources	-	-	50,000	-	-	-	-	22,384	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	33,054	100,000	-	-	15,990	2,528	26,314	32,455
Disbursements:									
Instruction	17,923	31,428	-	-	1,559	13,915	-	-	8,389
Support services	(10,166)	-	50,000	-	-	-	36,130	-	70,290
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	7,757	31,428	50,000	-	1,559	13,915	36,130	-	78,679
Excess (deficiency) of receipts over disbursements	(7,757)	1,626	50,000	-	(1,559)	2,075	(33,602)	26,314	(46,224)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	57,101	-	-
Transfers out	-	-	-	-	-	-	-	-	(57,101)
Total other financing sources (uses)	-	-	-	-	-	-	57,101	-	(57,101)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,757)	1,626	50,000	-	(1,559)	2,075	23,499	26,314	(103,325)
Cash and investments - ending	\$ -	\$ 1,626	\$ -	\$ 99	\$ 2	\$ 2,075	\$ 23,499	\$ 26,314	\$ -

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Excellence in Performance Grant	Indiana School Academic Improvement	Tech Literacy	Vending	State Formative	LR/HP SIG 1003a	LRNTMS SIG 1003a	Hosfrd SIG 1003a	Title I 2016-17
Cash and investments - beginning	\$ -	\$ 10,579	\$ -	\$ 7,589	\$ (5,884)	\$ -	\$ -	\$ (771)	\$ -
Receipts:									
Local sources	-	-	-	3,595	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	550	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	14,855	9,132	828,795
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	550	3,595	-	-	14,855	9,132	828,795
Disbursements:									
Instruction	11,487	-	-	-	-	7,057	-	-	495,004
Support services	-	-	-	350	(5,884)	9,409	-	8,361	369,605
Noninstructional services	-	-	-	-	-	-	14,855	-	35,744
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,487	-	-	350	(5,884)	16,466	14,855	8,361	900,353
Excess (deficiency) of receipts over disbursements	(11,487)	-	550	3,245	5,884	(16,466)	-	771	(71,558)
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	(11,487)	-	550	3,245	5,884	(16,466)	-	771	(71,558)
Cash and investments - ending	\$ (11,487)	\$ 10,579	\$ 550	\$ 10,834	\$ -	\$ (16,466)	\$ -	\$ -	\$ (71,558)

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	LRMS SIG 1003g	HP SIG 1003g	Title I 2014-15	Title I MS SIG	Title I 2015-16	Title I SIG 1003g-LRNTMS Yr 2	Title I SIG 1003g-Hosford Yr 1	Adult Basic Education 2014-15	Adult Basic Education 2015-16
Cash and investments - beginning	\$ (34)	\$ -	\$ -	\$ -	\$ (134,969)	\$ (129,189)	\$ (185,796)	\$ 397	\$ (5,429)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	140,416	117,939	-	-	344,716	174,841	356,513	-	20,260
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	140,416	117,939	-	-	344,716	174,841	356,513	-	20,260
Disbursements:									
Instruction	109,100	14,465	-	-	103,266	-	150,000	-	14,833
Support services	67,167	93,572	-	-	95,764	45,652	19,921	-	(2)
Noninstructional services	3,332	45,565	-	-	10,717	-	796	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	179,599	153,602	-	-	209,747	45,652	170,717	-	14,831
Excess (deficiency) of receipts over disbursements	(39,183)	(35,663)	-	-	134,969	129,189	185,796	-	5,429
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	(39,183)	(35,663)	-	-	134,969	129,189	185,796	-	5,429
Cash and investments - ending	\$ (39,217)	\$ (35,663)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397	\$ -

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Fed Adult Education 2016-17	Team Nutrition Training/Wellness Grant	Head Start StartUp	Project Head Start 2015	2016 Head Start	2017 Head Start	21st Century Community 2013-14	21st Century Community 2014-15	21st Century Community 2015-16
Cash and investments - beginning	\$ -	\$ 414	\$ -	\$ -	\$ (114,323)	\$ -	\$ (206)	\$ -	\$ (36,456)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	6,440	-	-	-	537,940	165,634	-	-	42,750
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	6,440	-	-	-	537,940	165,634	-	-	42,750
Disbursements:									
Instruction	40,321	-	2,875	-	412,244	282,072	-	-	6,294
Support services	4,769	-	-	-	10,832	3,793	-	-	-
Noninstructional services	-	-	-	-	541	544	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	45,090	-	2,875	-	423,617	286,409	-	-	6,294
Excess (deficiency) of receipts over disbursements	(38,650)	-	(2,875)	-	114,323	(120,775)	-	-	36,456
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	206	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	206	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(38,650)	-	(2,875)	-	114,323	(120,775)	206	-	36,456
Cash and investments - ending	\$ (38,650)	\$ 414	\$ (2,875)	\$ -	\$ -	\$ (120,775)	\$ -	\$ -	\$ -

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	16-17 Hi Def	Hi Def Sup 17	Title II Part A 2007-09	Title II Part A 2014-16	Title II Part A 2015-17	Title II Part A 2016-18	Title III - English Proficiency Migrant	Title III Part A 2012-13	Title III Part A 2013-15
Cash and investments - beginning	\$ (3,197)	\$ -	\$ 5,082	\$ (30,100)	\$ (31,918)	\$ -	\$ (250)	\$ (606)	\$ (188)
Receipts:									
Local sources	-	-	-	30,100	128,263	15,124	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	62,345	-	-	-	5,000	3,230	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	62,345	-	-	30,100	133,263	18,354	-	-	-
Disbursements:									
Instruction	55,548	51,840	-	-	71,616	23,746	-	-	-
Support services	89,780	5,524	-	-	29,633	4,191	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	145,328	57,364	-	-	101,249	27,937	-	-	-
Excess (deficiency) of receipts over disbursements	(82,983)	(57,364)	-	30,100	32,014	(9,583)	-	-	-
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	(82,983)	(57,364)	-	30,100	32,014	(9,583)	-	-	-
Cash and investments - ending	\$ (86,180)	\$ (57,364)	\$ 5,082	\$ -	\$ 96	\$ (9,583)	\$ (250)	\$ (606)	\$ (188)

LAKE RIDGE SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Title III Part A 2014-16	Title III Part A 2015-17	Title III Part A 2016-18	Head Start Stimulus	New Technology Grants	Payroll	Benefit Clearing	Prepaid School Lunch	Totals
Cash and investments - beginning	\$ (969)	\$ (8,492)	\$ -	\$ 57	\$ 31,031	\$ (82,574)	\$ -	\$ 80,822	\$ 13,302,492
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,108,316
Intermediate sources	-	-	-	-	-	-	-	-	77
State sources	-	-	-	-	-	-	-	-	15,541,566
Federal sources	1,319	11,030	6,510	-	-	-	-	-	4,612,810
Other receipts	-	-	-	-	-	2,582,775	186,463	119,973	4,491,263
Total receipts	1,319	11,030	6,510	-	-	2,582,775	186,463	119,973	31,754,032
Disbursements:									
Instruction	294	2,538	7,742	-	-	-	-	-	10,377,251
Support services	-	-	-	-	31,031	-	-	-	9,594,564
Noninstructional services	-	-	-	-	-	-	-	-	1,991,981
Facilities acquisition and construction	-	-	-	-	-	-	-	-	227,897
Debt service	-	-	-	-	-	-	-	-	4,123,397
Nonprogrammed charges	-	-	-	-	-	2,583,979	186,463	139,198	4,603,083
Total disbursements	294	2,538	7,742	-	31,031	2,583,979	186,463	139,198	30,918,173
Excess (deficiency) of receipts over disbursements	1,025	8,492	(1,232)	-	(31,031)	(1,204)	-	(19,225)	835,859
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	277,278
Transfers in	-	-	-	-	-	-	-	-	2,282,128
Transfers out	-	-	-	(57)	-	-	-	-	(2,282,126)
Total other financing sources (uses)	-	-	-	(57)	-	-	-	-	277,280
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,025	8,492	(1,232)	(57)	(31,031)	(1,204)	-	(19,225)	1,113,139
Cash and investments - ending	\$ 56	\$ -	\$ (1,232)	\$ -	\$ -	\$ (83,778)	\$ -	\$ 61,597	\$ 14,415,631

LAKE RIDGE SCHOOLS  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 194,928</u>	<u>\$ 479,560</u>

LAKE RIDGE SCHOOLS  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lake Ridge Multi School Building Corporation	CNTH - Pool	\$ 242,825	06/30/2016	12/31/2024
Lake Ridge Multi School Building Corporation	Outdoor Athletic Complex	<u>312,000</u>	06/30/2017	12/31/2035
Total of annual lease payments		<u>\$ 554,825</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Common School Loans	<u>\$ 26,105,352</u>	<u>\$ 2,920,506</u>

LAKE RIDGE SCHOOLS  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2017

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	\$ 168,535
Infrastructure	1,200,000
Buildings	56,937,023
Improvements other than buildings	11,593,000
Machinery, equipment, and vehicles	<u>1,266,734</u>
Total capital assets	<u>\$ 71,165,292</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE LAKE RIDGE SCHOOLS, LAKE COUNTY, INDIANA

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

We have audited the Lake Ridge Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Child Nutrition Cluster***

As described in item 2017-004, in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster regarding Eligibility. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

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

As described in item 2017-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies***

As described in item 2017-009 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Special Tests and Provisions - Annual Report Card, High School Graduation Rate that are applicable to its Title I Grants to Local Educational Agencies. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Basis for Qualified Opinion on School Improvement Grants***

As described in item 2017-010, in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with School Improvement Grants regarding Suspension and Debarment. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

As described in item 2017-010 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement that are applicable to its School Improvement Grants. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Child Nutrition Cluster regarding Eligibility, and the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

***Qualified Opinion on Title I Grants to Local Educational Agencies***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* 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 the Title I Grants to Local Educational Agencies for the period of July 1, 2015 to June 30, 2017.

***Qualified Opinion on School Improvement Grants***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of School Improvement Grants regarding Suspension and Debarment, and the non-compliance described in the *Basis for Qualified Opinion on School Improvement Grants* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the School Improvement Grants for the period of July 1, 2015 to June 30, 2017.

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

***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, 2015 to June 30, 2017.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003 and 2017-006. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.


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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, 2017-010, and 2017-011, that we consider to be material weaknesses.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

June 4, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAKE RIDGE SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster	Indiana Department of Education	10.553	FY 2016, FY 2017	\$ -	\$ 438,956	\$ -	\$ 457,852
School Breakfast Program							
National School Lunch Program		10.555	FY 2016, FY 2017	-	810,113	-	766,869
School Lunch			FY 2016, FY 2017	-	204,296	-	254,309
School Snack			FY 2016, FY 2017	-	98,577	-	490,817
Commodities							
Total - National School Lunch Program				-	1,112,986	-	1,511,995
Summer Food Service Program For Children		10.559	FY 2017	-	-	-	8,470
Total - Child Nutrition Cluster				-	1,551,942	-	1,978,317
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2016, FY 2017	-	49,830	-	39,717
School Supper Reimbursement							
Total - Child and Adult Care Food Program				-	49,830	-	39,717
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY 2016, FY 2017	-	66,127	-	60,917
Total - Fresh Fruit and Vegetable Program				-	66,127	-	60,917
Total - Department of Agriculture				-	1,667,899	-	2,078,951
<u>Department of Education</u>							
Special Education Cluster (IDEA)	Indiana Department of Education	84.027	14215-045-PN01	-	172,453	-	-
Special Education_Grants to States			14216-045-PN01	-	298,717	-	184,491
			14217-045-PN01	-	-	-	367,312
Total - Special Education_Grants to States				-	471,170	-	551,803
Special Education_Preschool Grants	Indiana Department of Education	84.173	45715-047-PN01	-	3,578	-	-
			45716-045-PN01	-	7,371	-	4,494
			45717-045-PN01	-	-	-	6,323
Total - Special Education_Preschool Grants				-	10,949	-	10,817
Total - Special Education Cluster (IDEA)				-	482,119	-	562,620
Adult Education - Basic Grants to States	The Center of Workforce Innovations	84.002	2014-8013	-	14,949	-	-
			2015-8013	-	37,632	-	20,260
			2016-8013	-	-	-	6,440
Total - Adult Education - Basic Grants to States				-	52,581	-	26,700

LAKE RIDGE SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
School Improvement Grant 1003(a) - Hosford Park New Tech Elementary School			S010A150014 #3893	-	-	-	9,131
School Improvement Grant 1003(a) - Lake Ridge Middle School			S010A150014 #3889	-	-	-	14,855
Title I Basic Grant			15-4650	-	448,467	-	-
Title I Basic Grant			16-4650	-	848,432	-	344,707
Title I Basic Grant			17-4650	-	-	-	828,795
<b>Total - Title I Grants to Local Educational Agencies</b>				<b>-</b>	<b>1,296,899</b>	<b>-</b>	<b>1,197,488</b>
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
			A58-5-15DL-2120	-	172,931	-	-
			A58-6-16DL-3034	-	131,055	-	42,750
			A58-7-17DL-0049	-	-	-	62,345
<b>Total - Twenty-First Century Community Learning Centers</b>				<b>-</b>	<b>303,986</b>	<b>-</b>	<b>105,095</b>
English Language Acquisition State Grants	Indiana Department of Education	84.365					
			01114-102-PN01	-	2,028	-	-
			01115-050-PN01	-	12,411	-	1,319
			01116-051-PN01	-	-	-	11,028
			01117-050-PN01	-	-	-	6,510
<b>Total - English Language Acquisition State Grants</b>				<b>-</b>	<b>14,439</b>	<b>-</b>	<b>18,857</b>
Supporting Effective Instruction State Grant	Indiana Department of Education	84.367					
			15-4650	-	102,629	-	30,100
			16-4650	-	-	-	133,167
			17-4650	-	-	-	18,354
<b>Total - Supporting Effective Instruction State Grant</b>				<b>-</b>	<b>102,629</b>	<b>-</b>	<b>181,621</b>
School Improvement Grants	Indiana Department of Education	84.377					
Title I-1003(g) School Improvement Grant- Lake Ridge Middle School			FY 2014-2015	-	130,906	-	-
Title I-1003(g) School Improvement Grant- Lake Ridge New Tech Middle School			FY 2015-2016	-	86,158	-	174,841
Title I-1003(g) School Improvement Grant- Hosford Park Elementary School			FY 2015-2016	-	26,611	-	356,514
Title I-1003(g) School Improvement Grant- Lake Ridge New Tech Middle School			FY 2016-2017	-	-	-	140,415
Title I-1003(g) School Improvement Grant- Hosford Park Elementary School			FY 2016-2017	-	-	-	117,939
<b>Total - School Improvement Grants</b>				<b>-</b>	<b>243,675</b>	<b>-</b>	<b>789,709</b>
<b>Total - Department of Education</b>				<b>-</b>	<b>2,496,328</b>	<b>-</b>	<b>2,882,090</b>
<u>Department of Health and Human Services</u>							
Head Start	Geminus Corporation	93.600					
			2015 PY	-	539,136	-	-
			2016 PY	-	177,969	-	537,941
			2017 PY	-	-	-	165,633
<b>Total - Head Start</b>				<b>-</b>	<b>717,105</b>	<b>-</b>	<b>703,574</b>
<b>Total - Department of Health and Human Services</b>				<b>-</b>	<b>717,105</b>	<b>-</b>	<b>703,574</b>
<b>Total federal awards expended</b>				<b>\$ -</b>	<b>\$ 4,881,332</b>	<b>\$ -</b>	<b>\$ 5,664,615</b>

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

LAKE RIDGE SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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 the Uniform Guidance, 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. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	yes
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Qualified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Qualified
84.367	Supporting Effective Instruction State Grant	Unmodified
84.377	School Improvement Grants	Qualified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

**FINDING 2017-001**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA. One employee prepared the grant information for the federal awards without a system of oversight or review to detect and correct the errors before submission.

*Context*

Due to lack of controls, the following errors resulted in the understatement of the SEFA by \$2,785,297, as of June 30, 2017.

1. The School Improvement Grants was omitted, which understated the federal expenditures by \$789,709.
2. The Adult Education - Basic Grants to States expenditures were understated by \$26,700.
3. The Title I Grants to Local Educational Agencies expenditures were understated by \$1,022,270.
4. The Twenty-First Century Community Learning Centers expenditures were understated by \$104,889.
5. The English Language Acquisition State Grants expenditures were understated \$12,421.
6. The Supporting Effective Instruction State Grants expenditures were understated \$180,571.
7. The Head Start expenditures were understated \$648,737.
8. The National School Lunch Program's snack reimbursements were erroneously classified as Child and Adult Care Food Program expenditures for both school years.

Audit adjustments were proposed, approved 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. . . .

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

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

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

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

*Recommendation*

We recommended that the School Corporation establish a system of internal controls to ensure that federal expenditures were properly reported 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.

**FINDING 2017-002**

Subject: Financial Transactions  
Audit Finding: Significant Deficiency

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

*Condition*

There was a deficiency in the internal control system of the School Corporation related to financial transactions. The School Corporation had not designed or implemented proper segregation of duties related to receipts. One employee issued and recorded receipts without evidence of an oversight or approval process to ensure the accuracy and classification of the receipts to the proper fund and account.

*Context*

This was a systemic issue throughout the audit period.

*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. . . .

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

*Cause*

Management of the School Corporation had not established a proper system of internal control that segregated key functions.

*Effect*

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

*Recommendation*

We recommended that the School Corporation establish a system of internal controls related to financial transactions.

*Views of Responsible Officials*

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

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

**FINDING 2017-003**

Subject: School Breakfast Program and National School Lunch Program - Cash Management  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-002.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Cash Management compliance requirement.

The School Corporation did not have documented controls in place to ensure that three month average expenditures were calculated for comparison to monthly cash balances and to verify that the comparison was performed.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation did not comply with the cash management requirements that cash balances (net cash resources) be limited to three months average expenditures. The School Lunch fund monthly net cash resources exceeded three months average expenditures during the audit period. The School Corporation used the excess net cash resources during the 2016 school year for various kitchen renovations at two of its schools. From March 2017 to June 2017, the net cash resources exceeded the three months average expenditures. At June 30, 2017, the School Lunch fund net cash resources exceeded the three months average expenditures by approximately \$227,000.

On March 13, 2017, the School Board approved a memorandum that outlined general renovation plans for the school cafeterias from 2017-2020. However, the plan was not detailed in nature, nor was the plan submitted to the Indiana Department of Education for approval as required.

*Context*

The lack of controls and the noncompliance were systemic issues during the audit period. The School Lunch fund monthly net cash resources exceeded the 3 months average expenditures for 15 of the 24 months in the audit period.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(b) states: "*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:  
. . .

(iv) Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . . "

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance 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 Cash Management compliance requirement.

*Views of Responsible Officials*

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

***FINDING 2017-004***

Subject: School Breakfast Program and National School Lunch Program - Eligibility  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-003.

*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 Eligibility compliance requirement.

The School Corporation used a food service software, which automatically made the eligibility determinations dependent upon the information entered into the software by the parents or guardians. However, the School Corporation did not have a proper system of oversight or review documented to ensure that the federal income guidelines entered into the software program were accurate.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation also had not established effective controls to ensure that the approved criteria for determining the eligibility of children for free and reduced price meals had been publicly announced at the beginning of each school year. Sufficient appropriate audit evidence could not be obtained to verify that a public announcement at the beginning of each school year was made in accordance with 2 CFR 245.5.

*Context*

The lack of controls and failure to provide appropriate audit evidence were systemic issues during the audit period.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

7 CFR 245.5(a) states in part:

". . . the local educational agency . . . shall publicly announce such criteria . . . at the beginning of each school year or, if notice of approval is given thereafter, within 10 days after the notice is received. The public announcement of such criteria, as a minimum, shall include the following:

- (1) . . . a letter or notice and application distributed on or about the beginning of each school year, to the parents of all children in attendance at school. . . ."

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured that supporting documentation was maintained and made available for audit related to the Eligibility compliance requirement.

*Effect*

The failure to retain appropriate documentation prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish effective controls to ensure that supporting documentation will be maintained for audit related to the Eligibility compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-005**

Subject: Child Nutrition Cluster - Equipment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

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 equipment requirements of the Equipment and Real Property Management compliance requirement.

The School Corporation did not have adequate policies and procedures to ensure that the proper equipment records were maintained in accordance with 2 CFR 200.313.

The School Corporation did not comply with the equipment requirements. A complete list of equipment acquired with federal awards was not maintained. The School Corporation contracted with a consulting firm to perform a physical inventory and compile a capital asset listing. A proper system of oversight or review was not documented by the School Corporation of the capital asset listing.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The equipment inventory was determined to be incomplete. The inventory did not identify equipment purchased with federal awards, serial numbers or other identification numbers, or disposal dates. In addition, the inventory omitted refrigerators and freezers located at each of the school cafeterias. Furthermore, the administration building housed a preschool and had a fully functioning kitchen with freezers, ovens, refrigerators, a dishwashing system, etc. However, no kitchen equipment for the administration building was detailed on the capital asset listing.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313 states in part:

". . . (b) . . . Other non-Federal entities must follow paragraphs (c) through (e) of this section.  
. . .

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) *Disposition.* When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

- (1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. . . ."

*Cause*

The School Corporation's management had not developed or implemented a system of internal controls that would have ensured compliance with the equipment requirements of the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement 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 Equipment and Real Property Management compliance requirement.

*Views of Responsible Officials*

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

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2017-006***

Subject: Child Nutrition Cluster - Reporting  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-005.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Reporting compliance requirement.

The School Corporation had not established controls to ensure the accuracy of the School Food Authority (SFA) Verification Collection Report and monthly Sponsor Claims (claims for reimbursement). The contracted Food Service Director prepared and submitted these reports without a proper system of oversight or review by the School Corporation to ensure the accuracy of the reports. The review process did not detect errors in which the Sponsor Claims (claims for reimbursement) were not supported by the School Corporation's financial records. For the fiscal year 2017, \$3,079 of the Summer Food Service Program reimbursement received was reported as after school snack.

In addition, the amounts claimed for reimbursement on two of the five monthly Sponsor Claims (claims for reimbursement) tested differed from the free and reduced counts from the School Corporation's point of sale software reports. The differences were due in part because the monthly Sponsor Claims (claims for reimbursement) were prepared based upon the school food service management company's software and not the point of sale software.

The School Corporation designed and implemented a review process over the Annual Financial Reports (AFR); however, the review was not effective. The review process did not detect errors in which the AFRs were not supported by the School Corporation's financial records. For the fiscal year 2016, the local sources reported did not agree to the School Lunch fund, which resulted in a \$42,243 underreporting of the cash balances as of June 30, 2016 and 2017.

*Context*

The lack of controls and the noncompliance over the AFR and the Sponsor Claims were systemic issues throughout the audit period. The net effect of the errors noted on the monthly Sponsor Claims (claim for reimbursement) was \$599 not claimed for reimbursement by the School Corporation. Additionally, the lack of controls over the School Food Authority (SFA) Verification Collection Report were systemic issues throughout the audit period.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

. . .

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance 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 Reporting compliance requirement.

*Views of Responsible Officials*

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

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2017-007***

Subject: School Breakfast Program and National School Lunch Program -  
Special Tests and Provisions - Verification of Free and Reduced  
Price Applications (NSLP) and National School Lunch Program -  
Special Tests and Provisions - Paid Lunch Equity

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Special Tests and Provisions - Verification of Free and  
Reduced Price Applications (NSLP), Special Tests and  
Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-006 and 2015-007.

*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 Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)*

The contracted Food Service Director performed the verifications of free and reduced price meal applications and made the determination of whether or not a change in eligibility was necessary without a proper system of oversight or review by the School Corporation.

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program Only)*

The contracted Food Service Director completed the paid lunch equity calculation without an oversight or review process documented by the School Corporation to ensure the accuracy of the calculation.

*Context*

The lack of controls was a systemic issue throughout the audit period.

*Criteria*

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

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

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

The School Corporation's management had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the compliance requirements listed above.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2017-008**

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

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or other Identifying Numbers): S010A150014 #3893,  
S010A150014 #3889,  
15-4650, 16-4650,  
17-4650

Compliance Requirements: Eligibility, Reporting, Special Tests  
and Provisions - Comparability

Audit Finding: Material Weakness

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediately prior audit regarding Eligibility. The prior audit finding number was 2015-011.

*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 Eligibility, Reporting, Special Tests and Provisions - Comparability compliance requirements.

*Eligibility*

The School Corporation had not established procedures to ensure that the State of Indiana's pre-populated public and poverty enrollment figures reported on the Eligible Schools Summary page to the Title I application page were reflective of the School Corporation's records. An oversight or review process over the reported enrollment figures had not been established.

*Reporting*

The Title I Director and the Treasurer worked together to prepare the Annual Expenditure Report. An oversight or review process had not been established to ensure that the Annual Expenditure Report amounts were accurate prior to submission.

*Special Tests and Provisions - Comparability*

The Comparability Report was compiled and submitted by one individual without evidence of a proper system of oversight or review before submission.

*Context*

The lack of controls was a systemic issue throughout the audit period.

*Criteria*

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

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

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). . . ."

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Eligibility, Reporting, and Special Tests and Provisions - Comparability compliance requirements.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Eligibility, Reporting, and Special Tests and Provisions - Comparability compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2017-009**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or other Identifying Numbers): S010A150014 #3893,  
S010A150014 #3889,  
15-4650, 16-4650,  
17-4650

Pass-Through Entity: Indiana Department of Education

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

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 Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement. There were no controls to ensure that documentation regarding the reason for a student leaving the high school cohort graduation rate for mobility reasons was prepared, reviewed, and retained.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation failed to comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate requirement, which necessitated that for the students removed from the High School cohort graduation rate for mobility reasons there was written documentation that the student was enrolled in another school or in an educational program that culminated in the award of a high school diploma, or emigrated to another country, or was deceased.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period. Of the 26 students tested, 11 did not have the required supporting documentation to substantiate removal from the cohort for mobility reasons.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 200.19(b) states in part:

"*High schools*—

(1) *Graduation rate.* Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . .

(2) *Transitional graduation rate.*

(i) Prior to the deadline in paragraph (b)(4)(ii)(A) of this section, a State must calculate graduation rate as defined in paragraph (b)(1) of this section or use, on a transitional basis—

(A) A graduation rate that measures the percentage of students from the beginning of high school who graduate with a regular high school diploma in the standard number or years; or . . .

(ii) For a transitional graduation rate calculated under paragraph (b)(2)(i) of this section—

(A) 'Regular high school diploma' has the same meaning as in paragraph (b)(1)(iv) of this section;

(B) 'Standard number of years' means four years unless a high school begins after ninth grade, in which case the standard number of years is the number of grades in the school; and

(C) A dropout may not be counted as a transfer. . . ."

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate 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 Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2017-010**

Subject: School Improvement Grants - Procurement and Suspension and Debarment  
Federal Agency: Department of Education  
Federal Program: School Improvement Grants  
CFDA Number: 84.377  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017  
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 did not have effective internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320. The School Corporation also did not have effective internal controls in place to ensure that the suspension and debarment requirements of 2 CFR 180.300 were met.

The School Corporation did not obtain price or rate quotes for purchases of goods or services exceeding \$3,500 from an adequate number of sources, which fell under the small purchase procedures. Nor did the School Corporation document the rationale for the method of procurement, especially when a noncompetitive proposal method was used.

The School Corporation did not retain documentation for the suspension and debarment requirement; therefore, it could not be determined if the School Corporation complied with the requirements. The School Corporation failed to provide evidence that a search of the Excluded Parties List Systems through the System of Award Manager Center was conducted, that certification from the entity was collected, or that a clause or condition was added to the contract.

*Context*

The lack of effective controls, noncompliance, and failure to provide appropriate audit evidence were systemic issues throughout the audit period. Approximately 41 percent of the total grant fund disbursements were Uniform Guidance vendor procurements. The suspension and debarment documentation was not retained or provided for 2 vendors totaling 7 percent of grant expenditures.

*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

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.318(i) states:

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

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) 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. . . .

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate."

2 CFR 180.300 states:

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

You do this by:

- (a) Checking SAM Exclusions; or

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement. Additionally, the School Corporation had not developed a system of internal controls to ensure that documentation was maintained and made available for audit.

*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. Additionally, the failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the suspension and debarment requirements.

*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. Additionally, we recommended that the School Corporation's management establish controls to ensure that documentation was maintained and made available for audit relating to the suspension and debarment requirements.

*Views of Responsible Officials*

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

**FINDING 2017-011**

Subject: School Improvement Grants - Reporting

Federal Agency: Department of Education

Federal Program: School Improvement Grants

CFDA Number: 84.377

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY 2015-2016,  
FY 2016-2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*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 Reporting compliance requirement.

LAKE RIDGE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Three final reports were submitted during the audit period. Each final report was completed by the Director and given to the Treasurer for review. The final reports were located in the Treasurer's grant files; however, there was no evidence that the final reports were reviewed before submission.

*Context*

The lack of controls was a systemic issue throughout the audit period.

*Criteria*

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

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

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). . . ."

*Cause*

The School Corporation's management had not implemented a system of internal controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Reporting compliance requirement.

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

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



Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001 FINANCIAL TRANSACTION AND REPORTING

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Edward Sopko, Treasurer
Contact Phone Number: 219/838-1819

Status of Audit Finding: Segregation of duties have been established by reassigning the receipt process from the Treasurer to the Deputy Treasurer. Signature stamps are only used by those who have their own stamps. Currently there are several approval avenues with in the payroll process, the payroll division will establish a procedure that will incorporate a function that will have each building level administrator conduct an overall approval by building for their employees, including but not limited to the Administration team will have a procedure, to be implemented during our continued internal controls training. Also, the deputy treasurer will produce a daily report when receipts are processed in the financial system and will be reviewed and initialed by the CFO. Internal control requirements as set forth by regulation of implementation, was met by the June 30, 2016 deadline. The district continues to evaluate, monitor, and change any processes with continued training by a third party source. The preparation of financial reports and SEFA will continue to be evaluated, the report and additional supporting documentation will be provided to allow for review for accuracy and to ensure that review is adequate and in place prior to submission. Internal controls have been enhanced to give reasonable assurance that financial statements are prepared with adequate oversight, however, this process will continue to be evaluated and improved.

Handwritten signature of Edward H. Sopko

(Signature)

Treasurer

(Title)

6/4/2018

(Date)

Sharon Johnson-Shirley, Ed.D. Superintendent

Assistant Superintendent

Janet Flores

Business Manager

Laura Hubinger

Board of School Trustees

Mr. Kenneth Buckley

Mr. Jonathan Evans

Mr. Glenn Johnson

Ms. Kim Osteen

Mr. Dan Diehl

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)





LAKE RIDGE NEW TECH SCHOOL CORPORATION

6111 West Ridge Road | Gary, IN 46408 | P 219.838.1819 | F 219.989.7802 | www.lakeridge.k12.in.us

Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002 CASH MANGAGEMENT

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action:Laura Hubinger, CFO/ Toni Rattray, Director Food Services-Chartwells
Contact Phone Number: 219/838-1819

Status of Audit Finding:The cash balance monitoring and expense plan was provided to the board and was on target for annual submission; it will now be presented to the board on a more frequent basis. Cash reconciliation is presented to the board monthly; a separate report will be presented for the food service cash balance account. Additionally, the food service director will meet and prepare the expense plan to spend down funds on cafeteria areas. The district has a capital plan and annually will submit to the Department of Education Division of Child Nutrition the repair or renovation plan for the cafeteria that will support the spend down plan for approval. This will be submitted by the food service director after approval is received from the business office and board of trustees. As plans change or time lines for spend down change, the approval from the business office and board of trustees will be obtained and thus resubmitted to the Division of Child Nutrition at the Department of Education for final approval.

Signature of Toni Rattray

Title: Food Service Director

Date: 5/30/18
Sharon Johnson-Shirley, Ed.D. Superintendent
Janet Flores Assistant Superintendent

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

- Mr. Kenneth Buckley
Mr. Jonathan Evans
Mr. Glenn Johnson
Ms. Kim Osteen
Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003 ELIGIBILITY

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Toni Rattray, Director of Food Services-Chartwells
Contact Phone Number: 219/838-1819

Status of Audit Finding: The district has put into place electronic approval process within the student management system. The secretary still does review for accuracy and is verified by the food service manager. Required random verification is performed by the food service division. Letters of approval are sent to the eligible and approved families. When reviewing the registration module, the software provides areas to incorporate additional eligibility regulations. Currently, detail eligibility instructions are explained during the application process at the on line registration. This process will be enhanced to include printed control screens that verify that the eligibility guideline criteria was entered properly to ensure proper calculations are used when electronically determining the lunch status. Currently, the district announces and has in the parent registration portal steps in explaining the free/reduced lunch application process, however, for the ensuing school year a printed notification will be made available at each school building in addition to having the Child Nutrition Cluster eligibility posted to the district's web site, to be updated annually as changes occur (a print out of the posting will be kept on file to ensure proper documentation is stored as evidence that the posting exists each year). Also duly noted is obtaining evidence that verification of the free/reduced lunch applications must be present. This procedure will be corrected for the ensuing school year. After registration and secretaries review for completed applications, the food service director will perform a computerized random verification, at which time the software will produce a percentage of applications to be verified for proof of income request. The food service director will print the application prior to the beginning process; will send letter to household requesting required proof income, and log on the student's record that the letter was sent. Once proper documentation has been received the food service director will indicate in the software the calculation as a result of the documentation received from the household. The director will reprint the application as evidence that this step was performed. A second verification by another trained staff will verify the steps that the food service direct has taken and verify the status upon the completion of this step the trained staff will mark in the software that the documents and status and each step had been followed. The software will stamp the date, time and user identification on each verified application.

Sharon Johnson-Shirley, Ed.D. Superintendent
Assistant Superintendent
Janet Flores

Business Manager
Laura Hubinger

Board of School Trustees
Mr. Kenneth Buckley
Mr. Jonathan Evans
Mr. Glenn Johnson
Ms. Kim Osteen
Mr. Dan Diehl





**LAKE RIDGE NEW TECH SCHOOL CORPORATION**

6111 West Ridge Road | Gary, IN 46408 | P 219.838.1819 | F 219.989.7802 | www.lakeridge.k12.in.us

(Finding 2015-003 con't)

**Office of the  
Superintendent**

*Sharon Johnson-Shirley*  
\_\_\_\_\_  
(Signature)

*Sharon Johnson-Shirley, Ed.D.*  
\_\_\_\_\_  
(Title)

*5/31/15*  
\_\_\_\_\_  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-004 MATCHING, EARMARKING, AND REPORTING

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:Geminus Corporation

Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/ Sandi Sweeney, Grant Administrator of Special Programs

Contact Phone Number: 219/838-1819

Status of Audit Finding:The in-kind match does reflect the sufficient match requirement of 20%; the total grant award for a designated period was matched by adequate space and dollar per square foot on the appraisal at hand. (\$10.00 per sq. ft.) (Note: Our current appraisal provides a rate at \$11.00 per sq. ft.). Additionally, the non-cash match includes sufficient responsibility that includes the services provided by utilities, calling systems, and custodial and maintenance. This corrective action plan is complete, and will have the in-kind match updated for the 2017-2019 grant periods to reflect new and current appraisal recommendations.

It is required to establish an earmarking amount of 10% to target special education children, based on enrollment. The district does provide provisions to meet this, that is, if the special education child enrolls. The Head Start program does know this requirement and does commit to the services when the special education students enroll. The lack of participants/Children to meet this bench mark directly affects this and can only provide and meet that requirement if the children that qualify under this provision enroll. In other words, if special needs students do not enroll, this affects this finding and will continue to do so.

Sandi Sweeney (Signature)

Director of Programs (Title)

5-29-18 (Date)

Superintendent Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent Janet Flores

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

- Manager Laura Hubinger
Trustees: Mr. Kenneth Buckley, Mr. Jonathan Evans, Mr. Glenn Johnson, Ms. Kim Osteen, Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-005 REPORTING

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Edward Sopko, Treasurer/Toni Rattray, Director of Food Services-Chartwells
Contact Phone Number: 219/838-1819

Status of Audit Finding:Receipting properly for the supper, fresh fruit and vegetable program has been corrected. We are in compliance by way of utilizing separate CFDA numbers for the annual report, additionally we are utilizing different identifiable receipt account codes representing each program. Additionally, for the ensuing year the food service director will use the point of sale information as documentation to support the financial claims, compare to the administrative financial software. This information will be provided and verified before begin entered into the state's reimbursement request. Once entered by the food service director, a print out of the entry screen will be created and a second signature will be present from a trained staff member as verification prior to submission. These reports will be kept in individual files and bound together monthly as evidence that proper review of these claims have been performed. These documents will also be presented to the treasurer as another party verification to ensure what it requested is received and that what is submitted matches the point of sale data. Any changes or exceptions will be noted and a clear written explanation will be present.

[Handwritten Signature]
(Signature)

[Handwritten Title: Food Service Director]
(Title)

5/30/14
(Date) Superintendent Sharon Johnson-Shirley, Ed.D.

- Assistant Superintendent Janet Flores
Business Manager Laura Hubinger
Board of School Trustees Mr. Kenneth Buckley, Mr. Jonathan Evans, Mr. Glenn Johnson, Ms. Kim Osteen, Mr. Dan Diehl

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133 Subpart C, section .315(b)for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)





Office of the  
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2015-006 SPECIAL TEST AND PROVISIONS-VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS**

Fiscal year in which the finding initially occurred: 2014

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

Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Toni Rattray, Director of Food Services-Chartwells

Contact Phone Number:

Status of Audit Finding: Students who have been approved for free or reduced lunch benefits are coded in the student management system, the code is based on the eligibility. Each evening that is electronically submitted to the point of sale system. Annually, the food service director pulls electronically from the point of sale system-random sample of those qualified accounts. Notification sent via US mail is sent to the home requesting proof of income. The director verifies the required 3% of the free/reduced population. Upon receipt of the verification from the home/parents the director sends a letter to the parent of any changes that may have been reflected in the proof of income, this letter allows for a 10-day notification of any and such changes. Additionally, the director sends via US mail a status of account letter indicating the free or reduced status. Also duly noted is obtaining evidence that verification of the free/reduced lunch applications must be present. This procedure will be corrected for the ensuing school year. After registration and secretaries review for completed applications, the food service director will perform a computerized random verification, at which time the software will produce a percentage of applications to be verified for proof of income request. The food service director will print the application prior to the beginning process; will send letter to household requesting required proof income, and log on the student's record that the letter was sent. Once proper documentation has been received the food service director will indicate in the software the calculation as a result of the documentation received from the household. The director will reprint the application as evidence that this step was performed. A second verification by another trained staff will verify the steps that the food service direct has taken and verify the status upon the completion of this step the trained staff will mark in the software that the documents and status and each step had been followed. The software will stamp the date, time and user identification on each verified application.

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl



**LAKE RIDGE NEW TECH SCHOOL CORPORATION**

611 West Ridge Road | Gary, IN 46408 | P 219.838.1819 | F 219.989.7802 | www.lakeridge.k12.in.us  
(Finding 2015-006 cont)

**Office of the Superintendent**

Sharon Johnson-Shirley  
(Signature)

Sharon Johnson-Shirley  
(Title)

5/31/18  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-007 SPECIAL TESTS AND PROVISIONS-PAID LUNCH EQUITY

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Toni Rattray, Director of Food Services-Chartwells
Contact Phone Number: 219/838-1819

Status of Audit Finding: This has been corrected. Prior to the ensuing school year, the food service director utilized the state supported paid lunch equity tool. This tool assists the district in determining the sufficient school lunch prices for paid students. Once a rate is evaluated the information is sent to the department of education national school lunch program for approval. Upon receipt of approved rates from the Indiana department of education, the district submits to the local Board of Trustees for lunch rate approval. Additionally, the food service director will complete the paid lunch equity tool and print the screen and provide to the business office for verification and sign off prior to submission to the Indiana Department of Education National School Lunch Program. Once that signed verification is received then the calculation will be submitted. When evidence of state approval is received the food service director will submit via email the request to the business office to submit to the board of trustee for the annual approval for the school year lunch prices.

[Handwritten Signature]
(Signature)

[Handwritten Title: Food Service Director]
(Title)

[Handwritten Date: 3/31/18]
(Date)

Superintendent
Sharon Johnson-Shirley, Ed.D.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Board of School Trustees
Mr. Kenneth Buckley
Mr. Jonathan Evans
Mr. Glenn Johnson
Ms. Kim Osteen
Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-008 CHILD NUTRITION CLUSTER

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Edward Sopko, Treasurer/Toni Rattray, Director of Food Services-Chartwells
Contact Phone Number: 219/838-1819

Status of Audit Finding: This finding has been corrected, signature stamps are only used by those who have their own stamps. The Treasurer stamps all individual claims with his own stamp. If a signature is required from the Deputy Treasurer, she utilizes her own stamp. Procurement, Suspension and Debarment has been corrected. Upon approval of each annual contract with the food service provider is submitted to the Indiana Department of Education Food Nutrition/National School Lunch Program. Once the contract and supporting documents (including the letter of verification of Procurement, Suspension and Debarment) are approved that packet is subsequently submitted to the local Board of Trustees for final approval.

Handwritten signature of Toni Rattray
(Toni Rattray)
(Title)
4/20/19
(Date)

Superintendent Sharon Johnson-Shirley, Ed.D.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Board of School Trustees
Mr. Kenneth Buckley
Mr. Jonathan Evans
Mr. Glenn Johnson
Ms. Kim Osteen
Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2015-009 LEVEL OF EFFORT - MAINTENANCE OF EFFORT**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Edward Sopko, Treasurer/Kathy Martin, Title I Director/Janet Flores, Assistant Superintendent  
Contact Phone Number: 219/838-1819

Status of Audit Finding: Per the outlined corrective action plan the additional monitoring and reporting has been implemented. Additional tracking spreadsheets are prepared by the deputy treasurer, and reviewed with the grant administrator, then submitted to the treasurer. Additionally, the treasurer prepares a summary sheet that is maintained in each grant year folder. Reimbursements are prepared by the grant administrator who submits to the treasurer for review and approval, and is signed by each party including the Business Manager as proof of proper approval process was followed and submitted. Additionally, time and effort logs are made for those staff that are responsible for duties in multiple areas. That staff submits the logs, which are approved by their immediate supervisors and are on file with the grant administrator. Additionally, as the Title I Director annually prepares the budget and as carryover is determined, the Treasurer will review the 90% per pupil expenses are being met with federal Title I funds and with state funds. The fiscal expense report for such state and federal Title I funds will be generated and a memo will be issued to the Business Manager as documentation and will be sent to the board as informational financial compliance. This memo will also be included with the budget, the Business Manager will work with the Superintendent to provide supporting documentation of the Title I grant for board review and approval.

Kathleen Martin  
(Signature)

Title I/EL Director  
(Title)

May 31, 2018  
(Date) Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees

Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133 Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-010 ALLOWABLE COSTS/COSTS PRINCIPLES

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/ Edward Sopko, Treasurer/ Kathy Marin, Title I Director/Janet Flores, Assistant Superintendent
Contact Phone Number:

Status of Audit Finding: This finding has improved, time and effort logs (paper format) are prepared and identify the different cost objectives and once completed the logs and are reviewed by the supervisor and Title I administrator. Appropriate payroll expenses are reviewed by the payroll division, Title I Director and approved by the Board of Trustees, the business office and Title I Director will submit to the board of trustees any pay rates and any recommended pay rate changes. Allowable expenses are reviewed on a monthly basis and are reviewed by the Title I administrator and treasurer prior to any reimbursement submissions to ensure that expenses requested are expenses approved within the grant authorization, and initialed by each person who reviews. The business manager initials as acknowledgment that reimbursement was submitted.

Kathleen Martin
(Signature)

Title I Director
(Title)

5-31-18 (Date)
Sharon Johnson-Shirley, Ed.D. Superintendent
Janet Flores Assistant Superintendent

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-011 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Edward Sopko, Treasurer/Kathy Martin, Title I Director/Janet Flores, Assistant Superintendent
Contact Phone Number: 219/838-1819

Status of Audit Finding: The district believes that we have adequately implemented this internal control note. All the eligible expenses and reporting functions are properly reviewed, initialed and submitted. By way of proper signatures indicates that the review of the reporting has been completed. Additional supporting documentation is present to support expenses and reimbursements and other data elements. Please note that the district changed its policy to reflect the regulatory property management control to the threshold of assets/equipment/real property to \$5,000. The property is tagged by indicating the fund that purchased the inventory and the inventory number, a copy is on file in the Title I office, this area will be monitored for a more efficient process. Verification can be created by an outside third party who currently handles our inventory process for the district, however, the technology division keeps an inventory of computers that have been purchased with grand funds, (such as Title I). Verification of enrollment will be presented to the Treasurer by way of printed documents prior to submission verifying enrollment, there will be supporting documentation provided from the technology data division for matching purposes to support the Treasurers verification.

Kathleen D. Martin
(Signature)

Title I/EL Director
(Title)

5-31-18
(Date)

Superintendent Sharon Johnson-Stirley, Ed.D.
Assistant Superintendent Janet Flores

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Business Manager Laura Hubinger
Board of School Trustees Mr. Kenneth Buckley
Mr. Jonathan Evans
Mr. Glenn Johnson
Ms. Kim Osteen
Mr. Dan Diehl





SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-012 IMPROVING TEACHER QUALITY STATE GRANTS

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/Janet Flores, Assistant Superintendent
Contact Phone Number: 219/838-1819

Status of Audit Finding: The district believes that they have clearly defined the evaluation system in place to identify effective and highly effective teachers, and negotiates within the regulations of the teacher quality state grant requirements. A record of awards to those teachers qualifying for the grant is maintained. The Board of Trustees approve the teachers collective bargaining agreements, and disbursements of any additional grants that re received outside the annual teacher appreciation grant. Additionally, we have corrected the use of stamps, only those who have them will utilize the stamp or physically sign as authorization of payments. Also, the level of effort was questioned and steps are begin prepared to gather the proper documents that will be included in the grant establishment process to be included in the grant packet to reflect that level of effort has been met, such as a sign off that the budget was reviewed and approved. Finally, after the building principals prepare the School Improvement plans, it is reviewed by the Assistant Superintendent and Title I Director, both of which will initial that indicates that the plans were reviewed.

Handwritten signature of Janet Flores over a horizontal line, with '(Signature)' printed below.

Handwritten title 'Asst Supt.' over a horizontal line, with '(Title)' printed below.

Handwritten date '6/4/18' over a horizontal line, with '(Date)' printed below.

Superintendent Sharon Johnson-Shirley, Ed.D.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Board of School Trustees
Mr. Kenneth Buckley
Mr. Jonathan Evans
Mr. Glenn Johnson
Ms. Kim Osteen
Mr. Dan Diehl





Office of the Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-013 EQUIPMENT AND REAL PROPERTY MANAGMENT

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Geminus Corporation
Contact Person Responsible for Corrective Action: Laura Hubinger, CFO/ Sandi Sweeney, Director of Special Programs
Contact Phone Number: 219/838-1819

Status of Audit Finding: This corrective action plan has been completed. An inventory list is maintained at the Head Start Office and submitted to the Geminus Corporation. Every time an inventory product is purchased the listing is updated by the secretary and given to the director who submits to the Geminus Corporation annually. Equipment is asset tagged and identified as inventory purchased with Head Start Funding.

Sandi Sweeney (Signature)

Director of Programs (Title)

4-17-18 (Date)

Superintendent Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent Janet Flores

Special Programs Manager Laura Hubinger

Board of School Trustees

Mr. Kenneth Buckley

Mr. Jonathan Evans

Mr. Glenn Johnson

Ms. Kim Osteen

Mr. Dan Diehl

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)





CORRECTIVE ACTION PLAN

FINDING 2017-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Edward Sopko  
Contact Phone Number: 219/838-1819

Views of Responsible Official: As the finding refers to one section of 8 sections of the AFR, the preparation of financial reports and SEFA will continue to be evaluated, the report and additional supporting documentation will be provided to allow for review for accuracy and to ensure that review is adequate and in place prior to submission.

Description of Corrective Action Plan: Internal controls have been enhanced to give reasonable assurance that financial statements are prepared with adequate oversight, however, this process will continue to be evaluated and improved prior to entry into the Gateway site. The Treasurer will prepare the AFR and will provide to the CFO the supporting reports to justify the AFR amounts, a list of federal funds will be used to compare the funds that have been hand entered onto the Gateway web site to ensure that all funds have been captured, the AFR funds will be compared to the annual Form 9 to evaluate the funds on both reports. The AFR that was cited as incorrect will be immediately corrected and submitted via Gateway to ensure that there is no gap in reporting funds.

Anticipated Completion Date: July 2018

(Signature)

TREASURER

(Title)

4/4/2018

(Date)

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Edward Sopko  
Contact Phone Number: 219/838-1918

Views of Responsible Official: Segregation of duties has been established, internal controls has been established, based on the recommendation of the current audit team

Description of Corrective Action Plan: We have already added an additional reporting step by way of the deputy treasurer will produce a daily report when receipts are processed in the financial system, and will be reviewed and initialed by the CFO.

Anticipated Completion Date: April 2018

(Signature)

Treasurer

(Title)

5/31/2018

(Date)

Superintendent  
Sharon Johnson-Shirley, Ed.D.  
Assistant Superintendent  
Janet Flores  
Business Manager  
Laura Hubinger  
Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Toni Rattray
Contact Phone Number: 219/838-1819

Views of Responsible Official: Although the district respectfully disagrees with the statement of not having documentation on the average expenditures, since that was outlined as a need by previous audit but was not clearly defined that they desired a monthly report, the district did produce the rendering of what was submitted to the board.

Description of Corrective Action Plan: Monthly cash reports are given to the Board of Trustees; the expenditure analysis was presented for annual review. This will now be submitted monthly for board review, annually we will submit to the Department of Education School Nutrition Division the board's expenditure plans for approval. The expenditure plan will be prepared by the Food Service Director, presented to the board, and then sent to the DOE. The Treasurer will prepare the monthly expense report, reviewed by the Director of Food Service, quarterly meet with the CFO, present it to the board monthly and will keep on file with the monthly board reports.

Anticipated Completion Date: July 2018

Handwritten signature of Toni Rattray over a horizontal line, with the word (Signature) printed below.

Handwritten title 'Food Service' over a horizontal line, with the word (Title) printed below.

Handwritten date '5/31/18' over a horizontal line, with the word (Date) printed below.

- Superintendent Sharon Johnson-Shirley, Ed.D.
Assistant Superintendent Janet Flores
Business Manager Laura Hubinger
Board of School Trustees Mr. Kenneth Buckley, Mr. Jonathan Evans, Mr. Glenn Johnson, Ms. Kim Osteen, Mr. Dan Diehl





Office of the  
Superintendent

CORRECTIVE ACTION PLAN

**FINDING 2017-004** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Toni Rattray  
Contact Phone Number: 219/838-1819

Views of Responsible Official: The district informs the parents at the district wide registration assembly, however it is now clearer that we must post this information in additional places.

Description of Corrective Action Plan: Annually, the Food Service Director will review the eligibility criteria that will be available from the Department of Education Division of Nutrition the proper public announcement, share with the CFO to get approval to place on the district's web site and each school building web site. Additionally, the Food Service Director will obtain the criterion for the federal income guidelines, will review with the CFO, and provide district data analyst the information. The district data analyst will enter into the administrative student software (which is protected by end user security), thus printing the screen that reflects the guidelines, and will require the Food Service Director's initials and date and subsequently the CFO's initials and date to ensure that proper data entry was performed.

Anticipated Completion Date: July-August of 2018

Toni Rattray  
(Signature)

Food Service  
(Title)

5/31/18  
(Date)

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-005 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Toni Rattray
Contact Phone Number: 219/838-1819

Views of Responsible Official: Although the district employs a third party provider, the district concurs that additional inventory steps will be prepared.

Description of Corrective Action Plan: The food service division will inventory all equipment that is currently on hand, and will place values and will submit to the third party vendor to add to their inventory list and will incorporate the tagging numbering system at their recommendation. As equipment is added, it will be added to the full food service inventory with a number and tag, and will be produced to the third party vendor to review and add to the total district inventory list. Subsequently, as equipment fails or is removed, board approval is obtained for loss of usefulness and disposal, that will be logged into the food service inventory list and will be provided to the third party vendor to adjust and justify on the district's inventory list. Inventory lists are maintained in the district/school buildings and the third party vendor is contracted to do a physical inventory to check the current inventory list, and maintenance the list based on changes and thus verified. We will be continuing to enhance this reporting and record keeping function.

Anticipated Completion Date: Implementation Begins August of 2018 and will be maintained on an ongoing basis and should be fully functional by the end of the 2018-2019 school year.

Handwritten signature of Toni Rattray
(Signature)

Handwritten title: Food Service
(Title)

Handwritten date: 5/31/18
(Date)

Sharon Johnson-Shirley, Ed.D. Superintendent

Assistant Superintendent Janet Flores

Business Manager Laura Hubinger

Board of School Trustees Mr. Kenneth Buckley Mr. Jonathan Evans Mr. Glenn Johnson Ms. Kim Osteen Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-006 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Toni Rattray
Contact Phone Number: 219/838-1819

Views of Responsible Official: Although the proper functions were performed, however, the district agrees that additional supporting documentation that reflects ample number of verified signatures to be placed on additional reports.

Description of Corrective Action Plan: The Point of Sale system produces monthly the state claim documentation for lunch, breakfast, snacks, fruits and vegetables for the monthly reimbursement request. The Food Service Director enters onto the DOE web site the records for reimbursement for each category, the Food Service Director will print the screen, have her assistant verify the number to ensure that were data entered correctly and will initial the printed screen and the supporting reimbursement report from the POS system. The Food Service Director will submit, and then monthly the Food Service Director will meet with the Treasurer to review the POS, and the printed verified screen, and the state reimbursement report to ensure that all requests and the internal control process was handled properly. Finally, the Treasurer will compare each month's requests to the amounts that will be entered for the AFR will be verified and the reports will be produced to the CFO annually for review to ensure that the funds are property reported and placed in the proper reporting categories.

Anticipated Completion Date: June 2018

Handwritten signatures and dates for Superintendent Sharon Johnson-Shirley, Ed.D., Assistant Superintendent Janet Flores, and Business Manager Laura Hubinger. Includes Board of School Trustees: Mr. Kenneth Buckley, Mr. Jonathan Evans, Mr. Glenn Johnson, Ms. Kim Osteen, Mr. Dan Diehl.





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-007 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Toni Rattray
Contact Phone Number: 219/838-1819

Views of Responsible Official: Although the district performed the duties as outlined in the corrective action plan, the district concludes that additional reports and verified signatures will be performed.

Description of Corrective Action Plan: Lunch applications are entered by parents during registration and is contained in the student management software system. Nightly the software creates a file that is automatically updated to the point of sale system that indicates the student's meal status based on criteria entered and compared to the eligibility control. The Food Service Assistant Director will review each application for completion. The Food Service Director will utilize the student management software to produce a required random selection of students that has been indicated at Free or Reduced. A letter requesting documentation to verify eligibility, giving the parent 10 days to respond. Those parents that produce the proper documentation will be kept on file to ensure that the food status is correct, the assistant director will also initial the document reflecting the proof and food status. In the event that the documentation is not received or does not support the food status initially reflected, the change in food status will be done on the student management software, printed and documented, and additional signatures will be obtained from the assistant director. A letter will be submitted to the parents of the status change, the letter will be obtained as supporting documentation, and notification will also be present and available to each school building. The paid student equity tool that is produced by the DOE, is annually reviewed and the food service director will complete the tool, print the screen, review with the CFO. The CFO will initial that will give the food service director authority to submit for approval, upon receipt of the approval from the DOE, the director will send a memo to the CFO to submit to the Board of Directors for annual lunch rate approvals.

Anticipated Completion Date: August 2018

Signature: Toni Rattray
Title: Superintendent
Signature: Janet Flores
Title: Assistant Superintendent
Date: 5/31/18
Title: Business Manager
List of Board of School Trustees: Mr. Kenneth Buckley, Mr. Jonathan Evans, Mr. Glenn Johnson, Ms. Kim Osteen, Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-008 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Kathleen Martin
Contact Phone Number: 219/838-1819

Views of Responsible Official: Although the fields are prepopulated from the DOE obtained from verified data submitted by the district, the district will concur and add additional reports and verified signatures indicating that the state's prepopulated fields are in fact correct.

Description of Corrective Action Plan: Although the data analyst in technology submits the proper reports annually to the DOE and the fields are populated by the DOE after the student data is verified and finalized the Title I Director will obtain copies of the ADM report that has been signed off on and the October TBR report that was signed off on. The Director will verify that the numbers on the reports to match the ESS page and print screen that page. The Director will initial each report and the printed ESS page and have the Treasurer also initial, and keep the records with the ensuing year's budget. Annually for the Title I grant that concludes there is a required Annual Expenditure Report. The Title I Director will print that expenditure report from the Title I application center, review with the Treasurer to ensure that the expenses match the expense report that is generated from the financial system. If all is accurate, both the Title I Director and Treasurer will sign and date each report prior to submission. These documents will be kept in the closing Title I grant folder for future reference.

Anticipated Completion Date: June 2018

Kathleen Martin (Signature)

Superintendent Sharon Johnson-Shirley, Ed.D.

Title I/EL Director (Title)

Assistant Superintendent Janet Flores

Business Manager Laura Hubinger

5-31-18 (Date)

Board of School Trustees Mr. Kenneth Buckley Mr. Jonathan Evans Mr. Glenn Johnson Ms. Kim Osteen Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-009 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Kathleen Martin
Contact Phone Number: 219/838-1819

Views of Responsible Official: Reasons and STN site support why students withdraw from the cohort, but the district concludes that additional written documentation will be available in each withdrawn student's file.

Description of Corrective Action Plan: It was reported that documentation was not available to support a reason a student withdrew from the cohort class, this process will continue to be improved. Currently the registrar will print the STN student enrollment status page and will make every effort to contact the school that the student enrolls in, or the parents for a letter stating emigration, or deceased. If at any point that the documents are not provided, the registrar will document the efforts to collect the supporting documentation. This memorandum will be signed by the registrar and by the school building principal and placed into the student's file to substantiate the mobility reason that has been assumed.

Anticipated Completion Date: August 2018

Kathleen A. Martin
(Signature)

Title I/EL Director
(Title)

5-31-18
(Date)

Superintendent Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent Janet Flores

Business Manager Laura Hubinger

Board of School Trustees Mr. Kenneth Buckley Mr. Jonathan Evans Mr. Glenn Johnson Ms. Kim Osteen Mr. Dan Diehl





Office of the Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-010 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Kathleen Martin  
Contact Phone Number: 219/838-1819

Views of Responsible Official: Quotes had been obtained but concurs that the documentation will be kept in the files and with the business office claim forms as proof of quotes for small purchases of \$3,500 and over policy.

Description of Corrective Action Plan: The district will continue to keep better documentation of such quotes, to ensure that pricing and services were analyzed. Additionally, the rationale for selection of purchases will be prepared and submitted to the business office prior to purchase approval. In addition, the district will print screens from the sam's web site to provide evidence that vendors that are utilized in the district do not appear on the disbarment and suspension federal listing. The certification that the step was completed will reflect the grant administrator's initials and the deputy treasurers' initials.

Anticipated Completion Date: June 2018

Kathleen G. Martin  
(Signature)

Title I/II Director  
(Title)

5-31-18  
(Date)

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl





CORRECTIVE ACTION PLAN

Office of the Superintendent

FINDING 2017-011 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Kathleen Martin  
Contact Phone Number: 219/838-1819

Views of Responsible Official: Although the process was done successfully each year the district concurs that additional reports and verifying signatures will be implemented prior to final report submissions.

Description of Corrective Action Plan: The Director for School Improvement Grants will have the Assistant Superintendent and/or Treasurer review with supporting documentation prior to the submission of the final reports and the data that is entered. This proof will be kept in the subsequent grant folder that a review was completed prior to submission, and once submitted the Director and Treasurer will review and initial the final report.

Anticipated Completion Date: The next final report is due in October 2018.

Kathleen A. Martin  
(Signature)

TITLE/EZ Director  
(Title)

5-31-18  
(Date)

Superintendent  
Sharon Johnson-Shirley, Ed.D.

Assistant Superintendent  
Janet Flores

Business Manager  
Laura Hubinger

Board of School Trustees  
Mr. Kenneth Buckley  
Mr. Jonathan Evans  
Mr. Glenn Johnson  
Ms. Kim Osteen  
Mr. Dan Diehl



#### 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/>.