

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
DEARBORN COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
01/18/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pam Taylor	07-01-15 to 06-30-19
Superintendent of Schools	Karl Galey	07-01-15 to 06-30-19
President of the School Board	Bryan Johnson Kevin Mollaun	01-01-15 to 12-31-17 01-01-18 to 12-31-18



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AN EQUAL OPPORTUNITY EMPLOYER

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Lawrenceburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 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 December 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

December 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 LAWRENCEBURG COMMUNITY SCHOOL  
CORPORATION, DEARBORN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Lawrenceburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 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.

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. 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.

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)


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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

December 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.

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 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	\$ 3,670,622	\$ 14,079,389	\$ 13,789,807	\$ (116,575)	\$ 3,843,629	\$ 14,330,099	\$ 14,236,251	\$ (490,566)	\$ 3,446,911
Debt Service	983,163	2,639,065	2,664,000	-	958,228	2,987,252	2,685,062	(81,811)	1,178,607
Capital Projects	343,961	2,109,672	1,574,421	(342,789)	536,423	2,088,731	1,782,418	(242,671)	600,065
School Transportation	115,764	680,744	422,081	(179,749)	194,678	792,965	446,314	(277,036)	264,293
School Bus Replacement	309,097	94,599	343,290	21,111	81,517	66,978	-	1,557	150,052
Rainy Day	1,808,010	-	719,726	645,109	1,733,393	120,109	537,400	1,100,000	2,416,102
Post-Retirement/Severance Future Benefits	197,254	-	-	1,509	198,763	-	-	1,509	200,272
School Lunch	165,900	948,318	975,397	-	138,821	988,060	1,039,410	-	87,471
Textbook Rental	-	328,190	328,302	148	36	864,765	562,957	-	301,844
Self-Insurance	25,843	46,941	51,043	-	21,741	44,549	51,458	-	14,832
Levy Excess	251	-	-	(251)	-	-	-	-	-
School Interv/Career Counsel	-	-	-	-	-	30,000	24,122	-	5,878
Plato Project	(1,337)	73,598	74,519	-	(2,258)	54,517	52,019	-	240
Project Lead the Way	(8,463)	69,047	69,683	-	(9,099)	151,530	76,725	-	65,706
Alternative To Suspension	(11,289)	100,122	95,849	-	(7,016)	157,474	122,834	-	27,624
Student Resource/Homework Help	(7,237)	71,978	68,483	-	(3,742)	74,251	51,827	-	18,682
Indiana Student Achiev Inst	-	3,650	3,650	-	-	3,300	3,300	-	-
City Grant Misc Items	-	41,551	43,351	-	(1,800)	34,300	32,500	-	-
One Community One Family	16,913	-	6,725	-	10,188	-	10,188	-	-
AHEC Grant - Biomed Costs	261	-	-	-	261	-	-	-	261
Dream It Do It - DCF	-	480	480	-	-	935	935	-	-
Kindergarten Preparedness	-	3,000	-	-	3,000	3,000	2,971	-	3,029
Promise Indiana Grant	-	30,000	2,015	-	27,985	-	9,825	-	18,160
Vending - Coca-Cola	-	-	-	-	-	8,500	8,500	-	-
529 Plan Contributions	-	-	-	-	-	23,575	15,586	-	7,989
Electrical Upgrade Project	-	-	-	-	-	71,824	-	-	71,824
Local Tech Prep PLTW	416	-	-	-	416	-	-	-	416
Early College Program	-	94,650	94,273	-	377	61,423	62,644	-	(844)
Xmester Grant	2,189	3,794	5,009	-	974	26,834	7,959	-	19,849
Extra-Curricular Activities	(1,700)	20,867	19,902	-	(735)	30,188	31,626	-	(2,173)
Drivers Ed	30,382	-	23,345	-	7,037	50,046	18,363	-	38,720
Scholarships and Awards	102,000	1,025	1,350	-	101,675	1,217	1,681	-	101,211
Formative Assessment	-	26,006	42,020	-	(16,014)	25,349	9,335	-	-

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 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
Medicaid Reimbursement	444	7,170	-	(4,758)	2,856	10,390	-	(10,323)	2,923
Secured Schools Safety Grant	-	-	70,865	-	(70,865)	100,000	29,135	-	-
NESP	442	-	442	-	-	-	-	-	-
NESP 2015/2016	-	1,583	253	-	1,330	-	1,330	-	-
Non-English Speaking Program	-	-	-	-	-	1,000	567	-	433
School Technology	-	12,965	12,965	-	-	10,947	10,947	-	-
Career and Technical Performance Grant	-	-	-	-	-	6,705	6,164	-	541
Perf Based Awards All Schools	2,989	(2,989)	-	-	-	-	-	-	-
High Ability 2014-2015	16,227	-	16,227	-	-	-	-	-	-
Misc Programs High Ability	-	34,632	14,982	-	19,650	-	19,650	-	-
High Ability 2016-2017	-	-	-	-	-	26,486	21,683	-	4,803
College Success Coalition	-	6,000	-	-	6,000	-	-	-	6,000
Latchkey	42,745	26,710	19,792	-	49,663	26,610	21,084	-	55,189
Title I Part D SY 14/15	(125)	1,235	1,110	-	-	45	-	(45)	-
Title I Part D SY 15/16	-	10,853	12,199	-	(1,346)	14,176	12,830	-	-
Title I Part D SY 16/17	-	-	-	-	-	7,002	9,681	45	(2,634)
Title I 15/16	-	332,286	326,981	-	5,305	-	3,394	(1,911)	-
Title I 16/17	-	-	-	-	-	338,249	360,418	1,911	(20,258)
Nutritional Grant - State	(3,398)	6,927	6,942	-	(3,413)	8,697	8,692	-	(3,408)
Medicaid Reimbursement - Federal	54,860	15,879	4,610	(285)	65,844	22,586	4,386	(620)	83,424
Title IIA FY 13	(5,015)	7,647	2,632	-	-	-	-	-	-
Improv Teach Quality Title II	-	26,651	35,066	-	(8,415)	19,450	11,035	-	-
Title II Part A Imp Teach Qua	-	-	-	-	-	29,733	40,995	-	(11,262)
Title III English Prof Migrant	-	1,190	1,190	-	-	-	-	-	-
Title III 14/16	-	9,185	9,185	-	-	3,263	3,263	-	-
Payroll Clearing	3,652	3,073,821	3,073,664	-	3,809	3,222,127	3,204,998	-	20,938
Cafeteria Clearing	3,143	211,473	211,807	-	2,809	186,356	189,150	-	15
Totals	<u>\$ 7,857,964</u>	<u>\$ 25,249,904</u>	<u>\$ 25,239,633</u>	<u>\$ 23,470</u>	<u>\$ 7,891,705</u>	<u>\$ 27,125,593</u>	<u>\$ 25,843,612</u>	<u>\$ 39</u>	<u>\$ 9,173,725</u>

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

**E. Disbursements**

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

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

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

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

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

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

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

**F. Other Financing Sources and Uses**

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

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

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees who work 20 or more hours per week, except substitutes, are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

*Funding Policy and Annual Pension Cost*

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

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of reimbursable expenses in both non-grant and grant funds for which the reimbursements were not received by June 30, 2016 and 2017.

**Note 8. Holding Corporations**

The School Corporation has entered into a capital lease with Lawrenceburg School Building Corporation and Lawrenceburg High School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$1,687,000 and \$1,695,000, respectively, to Lawrenceburg School Building Corporation and \$977,000 and \$990,063, respectively, to Lawrenceburg High School Building Corporation.

**Note 9. Other Postemployment Benefits**

The School Corporation provides to eligible retirees the following benefits: medical and dental insurance to 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.

#### OTHER INFORMATION - UNAUDITED

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

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

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 3,670,622	\$ 983,163	\$ 343,961	\$ 115,764	\$ 309,097	\$ 1,808,010	\$ 197,254	\$ 165,900	\$ -
Receipts:									
Local sources	1,275,551	2,639,065	2,109,672	680,744	94,599	-	-	409,183	260,556
Intermediate sources	10	-	-	-	-	-	-	-	-
State sources	12,799,074	-	-	-	-	-	-	11,149	67,634
Federal sources	-	-	-	-	-	-	-	527,986	-
Other receipts	4,754	-	-	-	-	-	-	-	-
Total receipts	14,079,389	2,639,065	2,109,672	680,744	94,599	-	-	948,318	328,190
Disbursements:									
Instruction	8,901,994	-	-	-	-	-	-	-	-
Support services	4,547,208	-	899,453	422,081	343,290	-	-	-	328,302
Noninstructional services	340,605	-	-	-	-	-	-	975,397	-
Facilities acquisition and construction	-	-	674,968	-	-	719,726	-	-	-
Debt service	-	2,664,000	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	13,789,807	2,664,000	1,574,421	422,081	343,290	719,726	-	975,397	328,302
Excess (deficiency) of receipts over disbursements	289,582	(24,935)	535,251	258,663	(248,691)	(719,726)	-	(27,079)	(112)
Other financing sources (uses):									
Sale of capital assets	-	-	2,211	-	21,111	-	-	-	148
Transfers in	5,043	-	-	251	-	645,109	1,509	-	-
Transfers out	(121,618)	-	(345,000)	(180,000)	-	-	-	-	-
Total other financing sources (uses)	(116,575)	-	(342,789)	(179,749)	21,111	645,109	1,509	-	148
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	173,007	(24,935)	192,462	78,914	(227,580)	(74,617)	1,509	(27,079)	36
Cash and investments - ending	\$ 3,843,629	\$ 958,228	\$ 536,423	\$ 194,678	\$ 81,517	\$ 1,733,393	\$ 198,763	\$ 138,821	\$ 36

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Self- Insurance	Levy Excess	School Interv/Career Counsel	Plato Project	Project Lead the Way	Alternative To Suspension	Student Resource/ Homework Help	Indiana Student Achiev Inst	City Grant Misc Items
Cash and investments - beginning	\$ 25,843	\$ 251	\$ -	\$ (1,337)	\$ (8,463)	\$ (11,289)	\$ (7,237)	\$ -	\$ -
Receipts:									
Local sources	46,941	-	-	73,598	69,047	100,122	71,978	3,650	41,551
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	46,941	-	-	73,598	69,047	100,122	71,978	3,650	41,551
Disbursements:									
Instruction	-	-	-	74,519	69,683	95,849	-	-	15,000
Support services	-	-	-	-	-	-	68,483	3,650	28,351
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	51,043	-	-	-	-	-	-	-	-
Total disbursements	51,043	-	-	74,519	69,683	95,849	68,483	3,650	43,351
Excess (deficiency) of receipts over disbursements	(4,102)	-	-	(921)	(636)	4,273	3,495	-	(1,800)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(251)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(251)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,102)	(251)	-	(921)	(636)	4,273	3,495	-	(1,800)
Cash and investments - ending	\$ 21,741	\$ -	\$ -	\$ (2,258)	\$ (9,099)	\$ (7,016)	\$ (3,742)	\$ -	\$ (1,800)

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	One Community One Family	AHEC Grant - Biomed Costs	Dream It Do It - DCF	Kindergarten Preparedness	Promise Indiana Grant	Vending - Coca-Cola	529 Plan Contributions	Electrical Upgrade Project	Local Technical Prep PLTW
Cash and investments - beginning	\$ 16,913	\$ 261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416
Receipts:									
Local sources	-	-	480	3,000	30,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	480	3,000	30,000	-	-	-	-
Disbursements:									
Instruction	-	-	480	-	-	-	-	-	-
Support services	6,725	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	2,015	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,725	-	480	-	2,015	-	-	-	-
Excess (deficiency) of receipts over disbursements	(6,725)	-	-	3,000	27,985	-	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,725)	-	-	3,000	27,985	-	-	-	-
Cash and investments - ending	\$ 10,188	\$ 261	\$ -	\$ 3,000	\$ 27,985	\$ -	\$ -	\$ -	\$ 416

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Early College Program	Xmester Grant	Extra- Curricular Activities	Drivers Ed	Scholarships and Awards	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	NESP
Cash and investments - beginning	\$ -	\$ 2,189	\$ (1,700)	\$ 30,382	\$ 102,000	\$ -	\$ 444	\$ -	\$ 442
Receipts:									
Local sources	94,650	3,794	20,867	-	1,025	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	26,006	7,170	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	94,650	3,794	20,867	-	1,025	26,006	7,170	-	-
Disbursements:									
Instruction	94,273	5,009	-	23,345	-	42,020	-	-	242
Support services	-	-	13,309	-	-	-	-	70,865	150
Noninstructional services	-	-	6,593	-	-	-	-	-	50
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,350	-	-	-	-
Total disbursements	94,273	5,009	19,902	23,345	1,350	42,020	-	70,865	442
Excess (deficiency) of receipts over disbursements	377	(1,215)	965	(23,345)	(325)	(16,014)	7,170	(70,865)	(442)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(4,758)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(4,758)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	377	(1,215)	965	(23,345)	(325)	(16,014)	2,412	(70,865)	(442)
Cash and investments - ending	\$ 377	\$ 974	\$ (735)	\$ 7,037	\$ 101,675	\$ (16,014)	\$ 2,856	\$ (70,865)	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	NESP 2015/2016	Non-English Speaking Program	School Technology	Career and Technical Performance Grant	Perf Based Awards All Schools	High Ability 2014-2015	Misc Programs High Ability	High Ability 2016-2017	College Success Coalition
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,989	\$ 16,227	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	6,401	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	1,583	-	6,564	-	(2,989)	-	34,632	-	6,000
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,583	-	12,965	-	(2,989)	-	34,632	-	6,000
Disbursements:									
Instruction	253	-	-	-	-	16,227	14,982	-	-
Support services	-	-	12,965	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	253	-	12,965	-	-	16,227	14,982	-	-
Excess (deficiency) of receipts over disbursements	1,330	-	-	-	(2,989)	(16,227)	19,650	-	6,000
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,330	-	-	-	(2,989)	(16,227)	19,650	-	6,000
Cash and investments - ending	\$ 1,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,650	\$ -	\$ 6,000

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Latchkey	Title I Part D SY 14/15	Title I Part D SY 15/16	Title I Part D SY 16/17	Title I 15/16	Title I 16/17	Nutritional Grant - State	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 42,745	\$ (125)	\$ -	\$ -	\$ -	\$ -	\$ (3,398)	\$ 54,860
Receipts:								
Local sources	26,710	235	-	-	1,911	-	100	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	1,000	10,853	-	330,375	-	6,827	15,879
Other receipts	-	-	-	-	-	-	-	-
Total receipts	26,710	1,235	10,853	-	332,286	-	6,927	15,879
Disbursements:								
Instruction	-	875	9,404	-	323,993	-	-	-
Support services	-	235	2,795	-	1,228	-	-	4,610
Noninstructional services	19,792	-	-	-	1,760	-	6,942	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	19,792	1,110	12,199	-	326,981	-	6,942	4,610
Excess (deficiency) of receipts over disbursements	6,918	125	(1,346)	-	5,305	-	(15)	11,269
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(285)
Total other financing sources (uses)	-	-	-	-	-	-	-	(285)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,918	125	(1,346)	-	5,305	-	(15)	10,984
Cash and investments - ending	\$ 49,663	\$ -	\$ (1,346)	\$ -	\$ 5,305	\$ -	\$ (3,413)	\$ 65,844

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Title IIA FY 13	Improv Teach Quality Title II	Title II Part A Imp Teach Qua	Title III English Prof Migrant	Title III 14/16	Payroll Clearing	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ (5,015)	\$ -	\$ -	\$ -	\$ -	\$ 3,652	\$ 3,143	\$ 7,857,964
Receipts:								
Local sources	-	-	-	1,190	9,185	-	-	8,075,805
Intermediate sources	-	-	-	-	-	-	-	10
State sources	-	-	-	-	-	-	-	12,956,823
Federal sources	7,647	26,651	-	-	-	-	-	927,218
Other receipts	-	-	-	-	-	3,073,821	211,473	3,290,048
Total receipts	7,647	26,651	-	1,190	9,185	3,073,821	211,473	25,249,904
Disbursements:								
Instruction	-	12,147	-	365	8,364	-	-	9,709,024
Support services	2,632	22,919	-	825	821	-	-	6,780,897
Noninstructional services	-	-	-	-	-	-	-	1,353,154
Facilities acquisition and construction	-	-	-	-	-	-	-	1,394,694
Debt service	-	-	-	-	-	-	-	2,664,000
Nonprogrammed charges	-	-	-	-	-	3,073,664	211,807	3,337,864
Total disbursements	2,632	35,066	-	1,190	9,185	3,073,664	211,807	25,239,633
Excess (deficiency) of receipts over disbursements	5,015	(8,415)	-	-	-	157	(334)	10,271
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	23,470
Transfers in	-	-	-	-	-	-	-	651,912
Transfers out	-	-	-	-	-	-	-	(651,912)
Total other financing sources (uses)	-	-	-	-	-	-	-	23,470
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,015	(8,415)	-	-	-	157	(334)	33,741
Cash and investments - ending	\$ -	\$ (8,415)	\$ -	\$ -	\$ -	\$ 3,809	\$ 2,809	\$ 7,891,705

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 3,843,629	\$ 958,228	\$ 536,423	\$ 194,678	\$ 81,517	\$ 1,733,393	\$ 198,763	\$ 138,821	\$ 36
Receipts:									
Local sources	1,179,361	2,986,290	2,087,969	783,825	66,958	120,109	-	441,390	800,203
Intermediate sources	42	962	762	307	20	-	-	-	-
State sources	13,149,196	-	-	-	-	-	-	11,869	64,562
Federal sources	-	-	-	-	-	-	-	534,801	-
Other receipts	1,500	-	-	8,833	-	-	-	-	-
Total receipts	14,330,099	2,987,252	2,088,731	792,965	66,978	120,109	-	988,060	864,765
Disbursements:									
Instruction	9,348,035	-	-	-	-	-	-	-	-
Support services	4,558,336	-	946,543	446,314	-	-	-	-	562,957
Noninstructional services	329,880	-	-	-	-	-	-	1,039,410	-
Facilities acquisition and construction	-	-	835,875	-	-	537,400	-	-	-
Debt service	-	2,685,062	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,236,251	2,685,062	1,782,418	446,314	-	537,400	-	1,039,410	562,957
Excess (deficiency) of receipts over disbursements	93,848	302,190	306,313	346,651	66,978	(417,291)	-	(51,350)	301,808
Other financing sources (uses):									
Sale of capital assets	-	-	39	-	-	-	-	-	-
Transfers in	10,943	-	57,290	22,964	1,557	1,100,000	1,509	-	-
Transfers out	(501,509)	(81,811)	(300,000)	(300,000)	-	-	-	-	-
Total other financing sources (uses)	(490,566)	(81,811)	(242,671)	(277,036)	1,557	1,100,000	1,509	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(396,718)	220,379	63,642	69,615	68,535	682,709	1,509	(51,350)	301,808
Cash and investments - ending	\$ 3,446,911	\$ 1,178,607	\$ 600,065	\$ 264,293	\$ 150,052	\$ 2,416,102	\$ 200,272	\$ 87,471	\$ 301,844

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Self- Insurance	Levy Excess	School Interv/Career Counsel	Plato Project	Project Lead the Way	Alternative To Suspension	Student Resource/ Homework Help	Indiana Student Achiev Inst	City Grant Misc Items
Cash and investments - beginning	\$ 21,741	\$ -	\$ -	\$ (2,258)	\$ (9,099)	\$ (7,016)	\$ (3,742)	\$ -	\$ (1,800)
Receipts:									
Local sources	44,549	-	30,000	54,517	151,530	157,474	74,251	3,300	34,300
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	44,549	-	30,000	54,517	151,530	157,474	74,251	3,300	34,300
Disbursements:									
Instruction	-	-	-	52,019	76,725	122,834	-	-	32,500
Support services	-	-	24,122	-	-	-	51,827	3,300	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	51,458	-	-	-	-	-	-	-	-
Total disbursements	51,458	-	24,122	52,019	76,725	122,834	51,827	3,300	32,500
Excess (deficiency) of receipts over disbursements	(6,909)	-	5,878	2,498	74,805	34,640	22,424	-	1,800
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,909)	-	5,878	2,498	74,805	34,640	22,424	-	1,800
Cash and investments - ending	\$ 14,832	\$ -	\$ 5,878	\$ 240	\$ 65,706	\$ 27,624	\$ 18,682	\$ -	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	One Community One Family	AHEC Grant - Biomed Costs	Dream It Do It - DCF	Kindergarten Preparedness	Promise Indiana Grant	Vending - Coca-Cola	529 Plan Contributions	Electrical Upgrade Project	Local Technical Prep PLTW
Cash and investments - beginning	\$ 10,188	\$ 261	\$ -	\$ 3,000	\$ 27,985	\$ -	\$ -	\$ -	\$ 416
Receipts:									
Local sources	-	-	935	3,000	-	8,500	23,575	71,824	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	935	3,000	-	8,500	23,575	71,824	-
Disbursements:									
Instruction	-	-	935	2,789	-	-	-	-	-
Support services	10,188	-	-	182	-	-	-	-	-
Noninstructional services	-	-	-	-	9,825	8,500	15,586	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,188	-	935	2,971	9,825	8,500	15,586	-	-
Excess (deficiency) of receipts over disbursements	(10,188)	-	-	29	(9,825)	-	7,989	71,824	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,188)	-	-	29	(9,825)	-	7,989	71,824	-
Cash and investments - ending	\$ -	\$ 261	\$ -	\$ 3,029	\$ 18,160	\$ -	\$ 7,989	\$ 71,824	\$ 416

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Early College Program	Xmester Grant	Extra- Curricular Activities	Drivers Ed	Scholarships and Awards	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	NESP
Cash and investments - beginning	\$ 377	\$ 974	\$ (735)	\$ 7,037	\$ 101,675	\$ (16,014)	\$ 2,856	\$ (70,865)	\$ -
Receipts:									
Local sources	61,423	26,834	30,188	50,046	1,217	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	25,349	10,390	100,000	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	61,423	26,834	30,188	50,046	1,217	25,349	10,390	100,000	-
Disbursements:									
Instruction	62,644	7,959	-	18,363	-	9,335	-	-	-
Support services	-	-	14,935	-	-	-	-	29,135	-
Noninstructional services	-	-	16,691	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,681	-	-	-	-
Total disbursements	62,644	7,959	31,626	18,363	1,681	9,335	-	29,135	-
Excess (deficiency) of receipts over disbursements	(1,221)	18,875	(1,438)	31,683	(464)	16,014	10,390	70,865	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(10,323)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(10,323)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,221)	18,875	(1,438)	31,683	(464)	16,014	67	70,865	-
Cash and investments - ending	\$ (844)	\$ 19,849	\$ (2,173)	\$ 38,720	\$ 101,211	\$ -	\$ 2,923	\$ -	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	NESP 2015/2016	Non-English Speaking Program	School Technology	Career and Technical Performance Grant	Perf Based Awards All Schools	High Ability 2014-2015	Misc Programs High Ability	High Ability 2016-2017	College Success Coalition
Cash and investments - beginning	\$ 1,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,650	\$ -	\$ 6,000
Receipts:									
Local sources	-	-	2,479	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	1,000	8,468	6,705	-	-	-	26,486	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	1,000	10,947	6,705	-	-	-	26,486	-
Disbursements:									
Instruction	1,330	567	-	6,164	-	-	19,650	21,683	-
Support services	-	-	10,947	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,330	567	10,947	6,164	-	-	19,650	21,683	-
Excess (deficiency) of receipts over disbursements	(1,330)	433	-	541	-	-	(19,650)	4,803	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,330)	433	-	541	-	-	(19,650)	4,803	-
Cash and investments - ending	\$ -	\$ 433	\$ -	\$ 541	\$ -	\$ -	\$ -	\$ 4,803	\$ 6,000

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Latchkey	Title I Part D SY 14/15	Title I Part D SY 15/16	Title I Part D SY 16/17	Title I 15/16	Title I 16/17	Nutritional Grant - State	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 49,663	\$ -	\$ (1,346)	\$ -	\$ 5,305	\$ -	\$ (3,413)	\$ 65,844
Receipts:								
Local sources	26,610	45	-	-	-	-	1,278	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	14,176	7,002	-	338,249	7,419	22,586
Other receipts	-	-	-	-	-	-	-	-
Total receipts	26,610	45	14,176	7,002	-	338,249	8,697	22,586
Disbursements:								
Instruction	-	-	12,630	8,082	3,394	357,856	-	-
Support services	-	-	200	1,599	-	-	-	4,386
Noninstructional services	21,084	-	-	-	-	2,562	8,692	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	21,084	-	12,830	9,681	3,394	360,418	8,692	4,386
Excess (deficiency) of receipts over disbursements	5,526	45	1,346	(2,679)	(3,394)	(22,169)	5	18,200
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	45	-	1,911	-	-
Transfers out	-	(45)	-	-	(1,911)	-	-	(620)
Total other financing sources (uses)	-	(45)	-	45	(1,911)	1,911	-	(620)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,526	-	1,346	(2,634)	(5,305)	(20,258)	5	17,580
Cash and investments - ending	\$ 55,189	\$ -	\$ -	\$ (2,634)	\$ -	\$ (20,258)	\$ (3,408)	\$ 83,424

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Title IIA FY 13	Improv Teach Quality Title II	Title II Part A Imp Teach Qua	Title III English Prof Migrant	Title III 14/16	Payroll Clearing	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ -	\$ (8,415)	\$ -	\$ -	\$ -	\$ 3,809	\$ 2,809	\$ 7,891,705
Receipts:								
Local sources	-	-	-	-	3,263	-	-	9,327,243
Intermediate sources	-	-	-	-	-	-	-	2,093
State sources	-	-	-	-	-	-	-	13,404,025
Federal sources	-	19,450	29,733	-	-	-	-	973,416
Other receipts	-	-	-	-	-	3,222,127	186,356	3,418,816
Total receipts	-	19,450	29,733	-	3,263	3,222,127	186,356	27,125,593
Disbursements:								
Instruction	-	4,072	13,749	-	1,163	-	-	10,184,478
Support services	-	6,963	27,246	-	2,100	-	-	6,701,280
Noninstructional services	-	-	-	-	-	-	-	1,452,230
Facilities acquisition and construction	-	-	-	-	-	-	-	1,373,275
Debt service	-	-	-	-	-	-	-	2,685,062
Nonprogrammed charges	-	-	-	-	-	3,204,998	189,150	3,447,287
Total disbursements	-	11,035	40,995	-	3,263	3,204,998	189,150	25,843,612
Excess (deficiency) of receipts over disbursements	-	8,415	(11,262)	-	-	17,129	(2,794)	1,281,981
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	39
Transfers in	-	-	-	-	-	-	-	1,196,219
Transfers out	-	-	-	-	-	-	-	(1,196,219)
Total other financing sources (uses)	-	-	-	-	-	-	-	39
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,415	(11,262)	-	-	17,129	(2,794)	1,282,020
Cash and investments - ending	\$ -	\$ -	\$ (11,262)	\$ -	\$ -	\$ 20,938	\$ 15	\$ 9,173,725

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 June 30, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 861,365	\$ -

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lawrenceburg High School Building Corporation	Lease for Term Loan with City of Lawrenceburg	\$ 989,800	12/31/2015	12/31/2023
Lawrenceburg School Building Corporation	First Mortgage Refunding Bonds Series 2017	1,698,500	4/18/2017	1/15/2027
MailFinance	postage machines	3,660	4/29/2014	4/29/2019
Ricoh USA Inc.	multi-purpose devices (copiers)	<u>28,600</u>	12/22/2014	12/21/2019
Total governmental activities		<u>2,720,560</u>		
Total of annual lease payments		<u>\$ 2,720,560</u>		

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LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
 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	\$ 476,000
Infrastructure	10
Buildings	80,508,729
Improvements other than buildings	3,842,151
Machinery, equipment, and vehicles	7,821,878
Construction in progress	830,824
Books and other	<u>10</u>
Total capital assets	<u>\$ 93,479,602</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

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

We have audited the Lawrenceburg Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *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.

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

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 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 item 2017-002. Our opinion on the 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 2017-001 and 2017-002, 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

December 4, 2018

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast FY 2016			16-1620	\$ 137,634	\$ -
School Breakfast FY 2017			17-1620	-	157,728
Total - School Breakfast Program				<u>137,634</u>	<u>157,728</u>
National School Lunch Program					
National School Lunch Program	Indiana Department of Education	10.555			
School Lunch FY 2016			16-1620	390,352	-
School Lunch FY 2017			17-1620	-	397,207
Commodities			FY 2016 & 2017	47,584	70,341
Total - National School Lunch Program				<u>437,936</u>	<u>467,548</u>
Summer Food Service Program for Children					
Summer Food Service Program for Children	Indiana Department of Education	10.559			
Summer Food Service Program FY 2016			16-1620	6,827	-
Summer Food Service Program FY 2017			17-1620	-	7,419
Total - Summer Food Service Program for Children				<u>6,827</u>	<u>7,419</u>
Total - Child Nutrition Cluster				<u>582,397</u>	<u>632,695</u>
Total - Department of Agriculture				<u>582,397</u>	<u>632,695</u>
<u>Department of Education</u>					
Title I Grants to Local Educational Agencies					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I			16-1620	330,375	-
Title I			17-1620	-	338,248
Title I Part D			Part D 15-1620	1,000	-
Title I Part D			Part D 16-1620	10,853	14,175
Title I Part D			Part D 17-1620	-	7,002
Total - Title I Grants to Local Educational Agencies				<u>342,228</u>	<u>359,425</u>
Special Education Cluster (IDEA)					
Special Education_Grants to States					
Special Education	Indiana Department of Education	84.027	14214-052-PN01	582	-
Special Education			14215-052-PN01	293,361	-
Special Education			14216-050-PN01	-	235,278
Special Education			14216-052-PN01	292,509	-
Special Education			14217-050-PN01	-	368,456
Special Education - Technical Assistance			99914-052-TA01	2,313	-
Total - Special Education_Grants to States				<u>588,765</u>	<u>603,734</u>

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
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	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
Special Education_Preschool Grants	Indiana Department of Education	84.173			
Preschool			45714-052-PN01	325	-
Preschool			45715-052-PN01	32,641	-
Preschool			45716-050-PN01	7,040	-
Preschool			45716-050-PN01	-	36,809
Preschool			45717-050-PN01	-	155
Total - Special Education_Preschool Grants				<u>40,006</u>	<u>36,964</u>
Total - Special Education Cluster (IDEA)				<u>628,771</u>	<u>640,698</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III			01114-099-PN01	1,189	-
Title III			01115-113-PN01	9,185	-
Title III			01115-113-PN01	-	3,263
Total - English Language Acquisition State Grants				<u>10,374</u>	<u>3,263</u>
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367			
Title IIA			13-1620	7,648	-
Title IIA			14-1620	26,651	-
Title IIA			14-1620	-	19,448
Title IIA			01115-113-PN01	-	29,734
Total - Supporting Effective Instruction State Grants				<u>34,299</u>	<u>49,182</u>
Total - Department of Education				<u>1,015,672</u>	<u>1,052,568</u>
Total federal awards expended				<u>\$ 1,598,069</u>	<u>\$ 1,685,263</u>

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

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

**Note 1. Basis of Presentation**

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

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
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:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs: \$750,000	
Auditee qualified as low-risk auditee?	no

**Section II - Financial Statement Findings**

No matters are reportable.

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

**FINDING 2017-001**

Subject: Child Nutrition Cluster - Internal Controls  
 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): 16-1620, 17-1620, FY 2016 & 2017  
 Pass-Through Entity: Indiana Department of Education  
 Compliance Requirements: Cash Management, Program Income, Reporting  
 Audit Finding: Material Weakness

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

*Repeat Finding*

This is a repeat of Finding 2015-003 from the immediately prior audit.

*Condition*

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

*Cash Management (School Breakfast Program and National School Lunch Program only)*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to the three months average expenditures.

*Program Income*

There were no controls in place to ensure that program income was being computed and recorded properly prior to posting to the School Corporation's general ledger. One employee processed program income without oversight, review or approval, or other compensating controls.

*Reporting*

There were no controls in place to ensure that required reports were complete and accurate prior to submission. One employee prepared and submitted the Monthly Sponsor Claims for Reimbursement and the Verification Summary Report without oversight, review, or approval.

*Context*

The lack of controls was a systemic problem, which occurred 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). . . ."

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

*Cause*

The School Corporation had not developed a system of internal controls that would have segregated key functions related to 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 listed above.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2017-002**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-052-PN01, 14215-052-PN01,  
14216-050-PN01, 14216-052-PN01,  
14217-050-PN01, 99914-052-TA01,  
45714-052-PN01, 45715-052-PN01,  
45716-050-PN01, 45717-050-PN01

Pass Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement*

The School Corporation did not have internal controls in place to ensure that the purchasing methods used complied with their procurement procedures and applicable state, local, and federal requirements. Additionally, the School Corporation did not have internal controls in place to ensure that they were documenting the history of their procurements, including the rationale for method of procurement, selection of contract type, basis for contractor selection, and the basis for the contract price.

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

The School Corporation contracted out personal services to many vendors, including several with yearly expenditures over the \$3,000 threshold for small purchases. The School Corporation did not obtain price or rate quotations from an adequate number of qualified sources as required for the contracts that were anticipated to be over \$3,000.

*Suspension and Debarment*

The School Corporation had not established an effective internal control system to ensure compliance with suspension and debarment requirements. There were no controls in place to ensure that vendors were not suspended or debarred from participation in federal programs.

The School Corporation entered into one covered service transaction over \$25,000. The School Corporation did not perform any procedures to ensure that this vendor was not suspended or debarred prior to entering into this contract.

*Context*

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . ."

- (i) 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.

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

(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 non-competitive 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
- (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 had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish internal controls related to the grant agreement and Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

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

# LAWRENCEBURG COMMUNITY SCHOOLS

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300 TIGER BLVD.  
LAWRENCEBURG, INDIANA 47025  
(812) 537-7200  
FAX (812) 537-0759

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2015-001***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Pam Taylor  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has established internal controls, including segregation of duties, related to the financial transactions and reporting.

### ***FINDING 2015-002***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Pam Taylor  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has established controls, including segregation of duties, related to the SEFA.

### ***FINDING 2015-003***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has established controls over payroll transactions and reporting, reasonable controls over food service balances so as not to exceed a three month average expenditure balance, compensating controls over the eligibility of free and reduced applications, verification of all cash receipts and deposits, and verification of monthly claims submitted.

***FINDING 2015-004***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation maintains Semi-Annual Certifications on employees paid from the grant. Weekly timesheets are also maintained and approved by management.

***FINDING 2015-005***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation did retroactively comply with the Procurement Suspension and Debarment compliance requirement and will continue to do so when we are aware of contracts issued in our name or on our behalf.

***FINDING 2015-006***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor, Tammy Gregory  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has established internal controls over the submission of reimbursement requests, the level of effort calculation, private school budgets and expenditures, and reporting.

***FINDING 2015-007***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor, Tammy Gregory  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has established internal controls for supporting documentation for non-public enrollment and public poverty data that is included in the Eligible School Summary Report in the Title I applications.

***FINDING 2015-008***

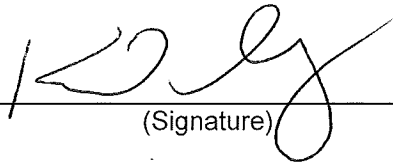
Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor, Tammy Gregory  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has established internal controls to maintain semi-annual certifications and time logs.

***FINDING 2015-009***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Pam Taylor  
Contact Phone Number: 812-537-7202

Status of Audit Finding: Lawrenceburg Community School Corporation has implemented controls to review and approve actions of the Fiscal Agent, including expenditures and reimbursements and reporting.

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

*Superintendent*  
\_\_\_\_\_  
(Title)

*11/28/18*  
\_\_\_\_\_  
(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).)

# LAWRENCEBURG COMMUNITY SCHOOLS

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300 TIGER BLVD.  
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FAX (812) 537-0759

## CORRECTIVE ACTION PLAN

### ***FINDING 2017-001***

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

Views of Responsible Official:

#### Cash Management

We concur with the finding.

#### Program Income

We concur with the finding.

#### Reporting

We concur with the finding.

Description of Corrective Action Plan:

#### Cash Management

In addition to talking about the actual balance in the food service fund, we will specifically state what the average three-month expenditure amount is, using the immediately past three months. We actually implemented this process at the November 12, 2018 board meeting.

Anticipated Completion Date: Complete

#### Program Income

A second employee will review and approve the computation and the entries made to calculate and post program income to the unit's general ledger. While this has been done sporadically in the past, it will be done each time income is posted to the general ledger beginning December 1, 2018.

Anticipated Completion Date: December 15, 2018

#### Reporting

Required reports will be reviewed and approved after submission (the application on the food and nutrition website does not allow us to complete the reports and save them for online review before submission). This corrective action is in place now and has been for a number of months.

Anticipated Completion Date: Complete

**FINDING 2017-002**

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

Views of Responsible Official:  
We concur with the finding..

Description of Corrective Action Plan:

Procurement


Documentation of price/rate quotations obtained from an adequate number of qualified vendors for purchases anticipated to be over the \$3,000 threshold for small purchases will be maintained at the ROD Cooperative or at the school corporation.

Anticipated Completion Date: January 1, 2019

Suspension and Debarment

The following internal control procedure has been established to verify a vendor that exceeds \$25,000 has not been suspended or debarred: For each vendor that exceeds \$25,000, the ROD cooperative or the school corporation will conduct a search on the SAMS Federal registry to verify the selected vendor has not been suspended or debarred. The director or superintendent will also sign the printed registry search verifying the vendor has not been suspended or debarred.

Anticipated Completion Date: January 1, 2019

  
\_\_\_\_\_  
(Signature)  
  
SUPERINTENDENT  
\_\_\_\_\_  
(Title)  
  
12-4-18  
\_\_\_\_\_  
(Date)

#### OTHER REPORTS

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