

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TWIN LAKES SCHOOL CORPORATION  
WHITE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
03/22/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Margie Reynolds	07-01-16 to 06-30-19
Superintendent of Schools	Michael Galvin	07-01-16 to 06-30-19
President of the School Board	Larry Crabb John Gooding Shane Hanna	01-01-16 to 12-31-16 01-01-17 to 12-31-18 01-01-19 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Twin Lakes School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, 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, 2016 to June 30, 2018.

***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, 2016 to June 30, 2018, 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 February 4, 2019, 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

February 4, 2019



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Twin Lakes School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February 4, 2019, 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.

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.

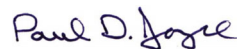
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**Compliance and Other Matters**

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

February 4, 2019

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

TWIN LAKES SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 1,514,532	\$ 15,315,590	\$ 15,298,624	\$ 792	\$ 1,532,290	\$ 15,602,236	\$ 15,436,116	\$ 728	\$ 1,699,138
Debt Service	1,060,029	1,579,904	1,694,343	-	945,590	1,476,882	1,953,959	-	468,513
Retirement/Severance Bond Debt Service	356,246	431,173	597,321	-	190,098	131,606	299,081	-	22,623
Capital Projects	1,627,641	2,746,076	2,504,122	(67,706)	1,801,889	2,764,968	2,495,197	6,525	2,078,185
School Transportation	1,658,080	1,417,608	1,286,286	(199,474)	1,589,928	1,661,894	1,349,547	(200,000)	1,702,275
School Bus Replacement	738,815	355,269	293,920	(30,000)	770,164	466,250	198,007	(118,000)	920,407
Rainy Day	882,776	-	219,981	300,000	962,795	41,374	344,789	318,000	977,380
Retirement/Severance Bond	873,408	1,655	4,500	-	870,563	1,769	33,625	-	838,707
Post-Retirement/Severance Future Benefits	16,248	-	2,200	-	14,048	-	2,470	-	11,578
2016 Building for the Future	(286,484)	301,452	14,968	-	-	-	-	-	-
HS-RMS-ML TWINLAKES2017 Construction	-	-	-	-	-	1,528	2,001,426	2,000,000	102
School Lunch	64,941	1,111,467	1,102,247	-	74,161	1,221,024	1,177,311	-	117,874
Textbook Rental	238,048	259,995	280,654	71,351	288,740	254,821	221,587	78,333	400,307
Levy Excess	526	-	-	(526)	-	-	-	-	-
Joint Services and Supply - Area Vocational School	146,041	213,267	201,945	-	157,363	209,094	198,254	-	168,203
Area 10 Discretionary	199,219	349	33,406	13,179	179,341	384	300	8,587	188,012
Area 10-Vocational Skill Up-Level Network Donations	-	-	-	-	-	156,030	-	-	156,030
14/15 Alt Ed	2,900	-	2,900	-	-	-	-	-	-
15/16 Alt Ed	17,933	-	14,575	-	3,358	-	3,358	-	-
16/17 Alt Ed	-	18,945	-	-	18,945	-	15,499	-	3,446
17/18 Alt Ed	-	-	-	-	-	17,654	-	-	17,654
15/16 Early Intervention	13,111	-	13,111	-	-	-	-	-	-
16/17 Early Intervention	-	11,859	7,623	-	4,236	-	4,236	-	-
17/18 Early Intervention	-	-	-	-	-	10,900	10,900	-	-
Lilly Counseling Planning Grant	-	30,000	20,752	-	9,248	-	9,248	-	-
Lilly Counseling Comprehensive	-	-	-	-	-	237,700	26,833	-	210,867
Centurylink C M WMS Foundation	9,796	-	6,638	-	3,158	-	-	-	3,158
ML - Donations to Music Dept	1,390	-	729	-	661	-	661	-	-
Fuel Up to Play 60	280	-	-	-	280	-	277	-	3
Donations Including Benevity	267	838	762	-	343	1,028	1,257	-	114
Eastlawn PTO Technology Donate	6,100	7,413	6,100	-	7,413	13,800	21,213	-	-
Teacher Encouragement-Area Church Donations	-	-	-	-	-	8,000	8,000	-	-
Robotics Club Donations	-	-	-	-	-	14,500	12,460	-	2,040
Rotary RMS Stem Donations	-	-	-	-	-	2,884	-	-	2,884
PLTW-Gateway Donation	-	-	-	-	-	10,000	-	-	10,000
TL Friends Flower Fund	556	335	210	-	681	335	492	-	524
Auto Service & Donations	279	1,934	720	-	1,493	560	582	-	1,471
ML Target Field Trips	132	706	828	-	10	712	722	-	-
PSI IOTA XI-Jump Start	(271)	2,271	-	-	2,000	3,377	3,377	-	2,000
WL Outdoor Ed Center Donations	1,003	-	-	-	1,003	-	-	-	1,003
Community Foundation of White County Donations	-	-	3,661	-	(3,661)	7,531	6,386	-	(2,516)
HS - REMC Battle of the Books	65	600	597	-	68	-	-	-	68
2015 Prtnrs Drug Free White Co	203	-	203	-	-	-	-	-	-
2016 Prtnrs Drug Free White Co	2,200	-	2,200	-	-	-	-	-	-
2017 Prtnrs Drug Free White Co	-	1,825	753	-	1,072	-	1,072	-	-
2018 Prtnrs Drug Free White Co	-	-	-	-	-	2,104	2,064	-	40

TWIN LAKES SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
Striving for Excellence	19,234	2,251	4,003	-	17,482	2,251	4,316	-	15,417
Masonic Special Education Kids	340	-	-	-	340	-	-	-	340
Technology Repair & Replace	-	-	-	-	-	4,200	3,995	-	205
REMC Grants-Aug 2013 Forward	300	1,500	-	-	1,800	-	300	-	1,500
Formative Assessment	-	23,923	23,923	-	-	27,624	27,624	-	-
15/16 High Ability	5,370	-	5,370	-	-	-	-	-	-
16/17 High Ability	-	35,173	23,698	-	11,475	-	11,475	-	-
17/18 High Ability	-	-	-	-	-	34,614	28,911	-	5,703
CNA-DWD Adult Ed Micro Grant	-	700	680	-	20	-	-	-	20
Medicaid Reimbursement	-	25,680	25,392	-	288	24,687	24,975	-	-
Secured Schools Safety Grant	(4,478)	62,826	65,928	-	(7,580)	76,699	72,046	-	(2,927)
School Tech E-Rate Fund	12,531	98,292	110,823	-	-	102,573	102,515	-	58
15/16 NESP	9,687	-	9,687	-	-	-	-	-	-
16/17 NESP	-	23,878	18,317	-	5,561	-	5,561	-	-
17/18 NESP	-	-	-	-	-	27,250	23,502	-	3,748
School Technology Connectivity	1,164	6,308	7,472	-	-	7,770	7,770	-	-
Career and Technical Performance Grant	-	23,354	15,514	-	7,840	26,613	26,063	-	8,390
Performance Based Awards	-	-	-	-	-	71,269	71,269	-	-
21st Century Scholar Success	-	869	869	-	-	-	-	-	-
Capital Environment-IDEM	-	-	-	-	-	106,907	106,907	-	-
Technology Repair & Replace	3,655	6,893	8,125	-	2,423	1,700	4,123	-	-
15/16 Title I, Part A	(24,032)	62,898	38,866	-	-	-	-	-	-
16/17 Title I, Part A	-	252,716	281,613	-	(28,897)	77,839	48,942	-	-
17/18 Title I, Part A	-	-	-	-	-	232,731	269,441	-	(36,710)
15/16 Perkins	(8,866)	30,526	13,377	(8,283)	-	-	-	-	-
16/17 Perkins	-	128,395	139,616	-	(11,221)	42,843	23,035	(8,587)	-
Perkins Leadership TI PTB 124	(3,226)	11,284	3,162	(4,896)	-	-	-	-	-
16/17 Perkins Rural Grant	-	80,751	87,232	-	(6,481)	19,249	12,768	-	-
17/18 CTE Summer Expansion Grant	-	-	-	-	-	-	3,800	-	(3,800)
17/18 Perkins	-	-	-	-	-	111,263	121,168	-	(9,905)
Medicaid Reimbursement - Federal	-	47,094	46,565	-	529	43,502	44,031	-	-
17/18 21st Century Community Learning Center	-	-	11,049	-	(11,049)	265,698	323,109	-	(68,460)
FFY15 TII Pt A	(11,743)	55,249	43,506	-	-	-	-	-	-
FFY16 TII Pt A	-	33,557	45,268	-	(11,711)	52,014	40,303	-	-
FFY17 TII Pt A	-	-	-	-	-	26,905	31,389	-	(4,484)
FY16 Title III	(926)	3,367	2,441	-	-	-	-	-	-
FY17 Title III	-	13,102	13,962	-	(860)	6,841	5,981	-	-
FY18 Title III	-	-	-	-	-	18,339	18,339	-	-
Prepaid Food	15,773	417,398	416,881	-	16,290	398,130	394,716	-	19,704
Payroll Clearing	50,454	4,018,054	4,025,703	-	42,805	3,920,023	3,919,650	-	43,178
Totals	<u>\$ 9,211,247</u>	<u>\$ 29,276,569</u>	<u>\$ 29,105,921</u>	<u>\$ 74,437</u>	<u>\$ 9,456,332</u>	<u>\$ 30,050,479</u>	<u>\$ 31,618,330</u>	<u>\$ 2,085,586</u>	<u>\$ 9,974,067</u>

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

TWIN LAKES SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

TWIN LAKES SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

*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:

TWIN LAKES SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

**G. Fund Accounting**

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

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The Superintendent 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.

TWIN LAKES SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

TWIN LAKES SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement**

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**C. Additional Pension Plans**

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the Corporation were not received by June 30, 2017 or 2018.

TWIN LAKES SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Holding Corporation**

The School Corporation has entered into three separate capital leases with Twin Lakes School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2017 and 2018, totaled \$1,585,000 and \$1,838,500, respectively.

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#### OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	2016 Building for the Future
Cash and investments - beginning	\$ 1,514,532	\$ 1,060,029	\$ 356,246	\$ 1,627,641	\$ 1,658,080	\$ 738,815	\$ 882,776	\$ 873,408	\$ 16,248	\$ (286,484)
Receipts:										
Local sources	148,268	1,579,904	431,173	2,737,414	1,414,690	355,269	-	1,655	-	-
Intermediate sources	603	-	-	-	-	-	-	-	-	-
State sources	15,155,853	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	301,452
Other	10,866	-	-	8,662	2,918	-	-	-	-	-
Total receipts	15,315,590	1,579,904	431,173	2,746,076	1,417,608	355,269	-	1,655	-	301,452
Disbursements:										
Instruction	10,968,668	-	-	-	-	-	192,421	4,500	-	-
Support services	4,113,061	-	-	1,146,269	1,286,286	293,920	27,560	-	2,200	-
Noninstructional services	216,895	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,357,853	-	-	-	-	-	14,968
Debt service	-	1,694,343	597,321	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,298,624	1,694,343	597,321	2,504,122	1,286,286	293,920	219,981	4,500	2,200	14,968
Excess (deficiency) of receipts over disbursements	16,966	(114,439)	(166,148)	241,954	131,322	61,349	(219,981)	(2,845)	(2,200)	286,484
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	792	-	-	2,294	-	-	-	-	-	-
Transfers in	-	-	-	-	526	-	300,000	-	-	-
Transfers out	-	-	-	(70,000)	(200,000)	(30,000)	-	-	-	-
Total other financing sources (uses)	792	-	-	(67,706)	(199,474)	(30,000)	300,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,758	(114,439)	(166,148)	174,248	(68,152)	31,349	80,019	(2,845)	(2,200)	286,484
Cash and investments - ending	\$ 1,532,290	\$ 945,590	\$ 190,098	\$ 1,801,889	\$ 1,589,928	\$ 770,164	\$ 962,795	\$ 870,563	\$ 14,048	\$ -

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

	HS-RMS-ML TWINLAKES2017 Construction	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Area Vocational School	Area 10 Discretionary	Area 10- Vocational Skill Up- Level Network Donations	14/15 Alt Ed	15/16 Alt Ed	16/17 Alt Ed
Cash and investments - beginning	\$ -	\$ 64,941	\$ 238,048	\$ 526	\$ 146,041	\$ 199,219	\$ -	\$ 2,900	\$ 17,933	\$ -
Receipts:										
Local sources	-	416,664	169,037	-	213,267	349	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	10,907	90,843	-	-	-	-	-	-	18,945
Federal sources	-	683,296	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	600	115	-	-	-	-	-	-	-
Total receipts	-	1,111,467	259,995	-	213,267	349	-	-	-	18,945
Disbursements:										
Instruction	-	-	-	-	193,086	33,406	-	2,900	14,575	-
Support services	-	600	280,654	-	7,059	-	-	-	-	-
Noninstructional services	-	1,101,647	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,800	-	-	-	-	-
Total disbursements	-	1,102,247	280,654	-	201,945	33,406	-	2,900	14,575	-
Excess (deficiency) of receipts over disbursements	-	9,220	(20,659)	-	11,322	(33,057)	-	(2,900)	(14,575)	18,945
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	71,351	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	13,179	-	-	-	-
Transfers out	-	-	-	(526)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	71,351	(526)	-	13,179	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,220	50,692	(526)	11,322	(19,878)	-	(2,900)	(14,575)	18,945
Cash and investments - ending	\$ -	\$ 74,161	\$ 288,740	\$ -	\$ 157,363	\$ 179,341	\$ -	\$ -	\$ 3,358	\$ 18,945

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	17/18 Alt Ed	15/16 Early Intervention	16/17 Early Intervention	17/18 Early Intervention	Lilly Counseling Planning Grant	Lilly Counseling Comprehensive	Centurylink C M WMS Foundation	ML - Donations to Music Dept	Fuel Up to Play 60	Donations Including Benevity
Cash and investments - beginning	\$ -	\$ 13,111	\$ -	\$ -	\$ -	\$ -	\$ 9,796	\$ 1,390	\$ 280	\$ 267
Receipts:										
Local sources	-	-	-	-	30,000	-	-	-	-	838
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	11,859	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	11,859	-	30,000	-	-	-	-	838
Disbursements:										
Instruction	-	11,670	2,690	-	-	-	-	729	-	-
Support services	-	1,441	4,933	-	20,752	-	-	-	-	762
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	6,638	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,111	7,623	-	20,752	-	6,638	729	-	762
Excess (deficiency) of receipts over disbursements	-	(13,111)	4,236	-	9,248	-	(6,638)	(729)	-	76
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(13,111)	4,236	-	9,248	-	(6,638)	(729)	-	76
Cash and investments - ending	\$ -	\$ -	\$ 4,236	\$ -	\$ 9,248	\$ -	\$ 3,158	\$ 661	\$ 280	\$ 343

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Eastlawn PTO Technology Donate	Teacher Encouragement- Area Church Donations	Robotics Club Donations	Rotary RMS Stem Donations	PLTW- Gateway Donation	TL Friends Flower Fund	Auto Service & Donations	ML Target Field Trips	PSI IOTA XI- Jump Start	WL Outdoor Ed Center Donations
Cash and investments - beginning	\$ 6,100	\$ -	\$ -	\$ -	\$ -	\$ 556	\$ 279	\$ 132	\$ (271)	\$ 1,003
Receipts:										
Local sources	7,413	-	-	-	-	335	1,934	706	2,271	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	7,413	-	-	-	-	335	1,934	706	2,271	-
Disbursements:										
Instruction	-	-	-	-	-	-	720	828	-	-
Support services	-	-	-	-	-	210	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	6,100	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,100	-	-	-	-	210	720	828	-	-
Excess (deficiency) of receipts over disbursements	1,313	-	-	-	-	125	1,214	(122)	2,271	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,313	-	-	-	-	125	1,214	(122)	2,271	-
Cash and investments - ending	\$ 7,413	\$ -	\$ -	\$ -	\$ -	\$ 681	\$ 1,493	\$ 10	\$ 2,000	\$ 1,003

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Community Foundation of White County Donations	HS - REMC Battle of the Books	2015 Prtnrs Drug Free White Co	2016 Prtnrs Drug Free White Co	2017 Prtnrs Drug Free White Co	2018 Prtnrs Drug Free White Co	Striving for Excellence	Masonic Special Education Kids	Technology Repair & Replace	REMC Grants- Aug 2013 Forward
Cash and investments - beginning	\$ -	\$ 65	\$ 203	\$ 2,200	\$ -	\$ -	\$ 19,234	\$ 340	\$ -	\$ 300
Receipts:										
Local sources	-	600	-	-	1,825	-	2,251	-	-	1,500
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	600	-	-	1,825	-	2,251	-	-	1,500
Disbursements:										
Instruction	3,661	597	-	-	-	-	3,798	-	-	-
Support services	-	-	203	2,200	353	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	205	-	-	-
Facilities acquisition and construction	-	-	-	-	400	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,661	597	203	2,200	753	-	4,003	-	-	-
Excess (deficiency) of receipts over disbursements	(3,661)	3	(203)	(2,200)	1,072	-	(1,752)	-	-	1,500
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,661)	3	(203)	(2,200)	1,072	-	(1,752)	-	-	1,500
Cash and investments - ending	\$ (3,661)	\$ 68	\$ -	\$ -	\$ 1,072	\$ -	\$ 17,482	\$ 340	\$ -	\$ 1,800

TWIN LAKES SCHOOL CORPORATION  
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 For the Year Ended June 30, 2017

	Formative Assessment	15/16 High Ability	16/17 High Ability	17/18 High Ability	CNA-DWD Adult Ed Micro Grant	Medicaid Reimbursement	Secured Schools Safety Grant	School Tech E-Rate Fund	15/16 NESP	16/17 NESP
Cash and investments - beginning	\$ -	\$ 5,370	\$ -	\$ -	\$ -	\$ -	\$ (4,478)	\$ 12,531	\$ 9,687	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	98,292	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	23,923	-	35,173	-	700	25,680	62,826	-	-	23,878
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	23,923	-	35,173	-	700	25,680	62,826	98,292	-	23,878
Disbursements:										
Instruction	-	5,370	23,698	-	680	-	-	-	-	15,453
Support services	23,923	-	-	-	-	25,392	51,719	110,823	2,207	2,129
Noninstructional services	-	-	-	-	-	-	-	-	-	735
Facilities acquisition and construction	-	-	-	-	-	-	14,209	-	7,480	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	23,923	5,370	23,698	-	680	25,392	65,928	110,823	9,687	18,317
Excess (deficiency) of receipts over disbursements	-	(5,370)	11,475	-	20	288	(3,102)	(12,531)	(9,687)	5,561
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,370)	11,475	-	20	288	(3,102)	(12,531)	(9,687)	5,561
Cash and investments - ending	\$ -	\$ -	\$ 11,475	\$ -	\$ 20	\$ 288	\$ (7,580)	\$ -	\$ -	\$ 5,561

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	17/18 NESP	School Technology Connectivity	Career and Technical Performance Grant	Performance Based Awards	21st Century Scholar Success	Capital Environmental- IDEM	Technology Repair & Replace	15/16 Title I, Part A	16/17 Title I, Part A
Cash and investments - beginning	\$ -	\$ 1,164	\$ -	\$ -	\$ -	\$ -	\$ 3,655	\$ (24,032)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	6,893	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	6,308	23,354	-	869	-	-	-	-
Federal sources	-	-	-	-	-	-	-	62,898	252,716
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	6,308	23,354	-	869	-	6,893	62,898	252,716
Disbursements:									
Instruction	-	-	15,514	-	869	-	-	37,403	262,083
Support services	-	7,472	-	-	-	-	-	1,463	19,530
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	8,125	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	7,472	15,514	-	869	-	8,125	38,866	281,613
Excess (deficiency) of receipts over disbursements	-	(1,164)	7,840	-	-	-	(1,232)	24,032	(28,897)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,164)	7,840	-	-	-	(1,232)	24,032	(28,897)
Cash and investments - ending	\$ -	\$ -	\$ 7,840	\$ -	\$ -	\$ -	\$ 2,423	\$ -	\$ (28,897)

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	17/18 Title I, Part A	15/16 Perkins	16/17 Perkins	Perkins Leadership TI PTB 124	16/17 Perkins Rural Grant	17/18 CTE Summer Expansion Grant	17/18 Perkins	Medicaid Reimbursement - Federal	17/18 21st Century Community Learning Center
Cash and investments - beginning	\$ -	\$ (8,866)	\$ -	\$ (3,226)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	30,526	128,395	11,284	80,751	-	-	47,094	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	30,526	128,395	11,284	80,751	-	-	47,094	-
Disbursements:									
Instruction	-	3,011	122,043	3,162	86,214	-	-	-	569
Support services	-	10,366	17,573	-	1,018	-	-	46,565	10,480
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,377	139,616	3,162	87,232	-	-	46,565	11,049
Excess (deficiency) of receipts over disbursements	-	17,149	(11,221)	8,122	(6,481)	-	-	529	(11,049)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(8,283)	-	(4,896)	-	-	-	-	-
Total other financing sources (uses)	-	(8,283)	-	(4,896)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,866	(11,221)	3,226	(6,481)	-	-	529	(11,049)
Cash and investments - ending	\$ -	\$ -	\$ (11,221)	\$ -	\$ (6,481)	\$ -	\$ -	\$ 529	\$ (11,049)

TWIN LAKES SCHOOL CORPORATION  
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 For the Year Ended June 30, 2017

	FFY15 TII Pt A	FFY16 TII Pt A	FFY17 TII Pt A	FY16 Title III	FY17 Title III	FY18 Title III	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ (11,743)	\$ -	\$ -	\$ (926)	\$ -	\$ -	\$ 15,773	\$ 50,454	\$ 9,211,247
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,622,548
Intermediate sources	-	-	-	-	-	-	-	-	603
State sources	-	-	-	-	-	-	-	-	15,491,118
Federal sources	55,249	33,557	-	3,367	13,102	-	-	-	1,402,235
Temporary loans	-	-	-	-	-	-	-	-	301,452
Other	-	-	-	-	-	-	417,398	4,018,054	4,458,613
Total receipts	55,249	33,557	-	3,367	13,102	-	417,398	4,018,054	29,276,569
Disbursements:									
Instruction	-	-	-	1,760	13,767	-	-	-	12,025,845
Support services	43,506	45,268	-	681	195	-	-	-	7,608,773
Noninstructional services	-	-	-	-	-	-	-	-	1,319,482
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,415,773
Debt service	-	-	-	-	-	-	-	-	2,291,664
Nonprogrammed charges	-	-	-	-	-	-	416,881	4,025,703	4,444,384
Total disbursements	43,506	45,268	-	2,441	13,962	-	416,881	4,025,703	29,105,921
Excess (deficiency) of receipts over disbursements	11,743	(11,711)	-	926	(860)	-	517	(7,649)	170,648
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	74,437
Transfers in	-	-	-	-	-	-	-	-	313,705
Transfers out	-	-	-	-	-	-	-	-	(313,705)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	74,437
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,743	(11,711)	-	926	(860)	-	517	(7,649)	245,085
Cash and investments - ending	\$ -	\$ (11,711)	\$ -	\$ -	\$ (860)	\$ -	\$ 16,290	\$ 42,805	\$ 9,456,332

TWIN LAKES SCHOOL CORPORATION  
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	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	2016 Building for the Future
Cash and investments - beginning	\$ 1,532,290	\$ 945,590	\$ 190,098	\$ 1,801,889	\$ 1,589,928	\$ 770,164	\$ 962,795	\$ 870,563	\$ 14,048	\$ -
Receipts:										
Local sources	236,603	1,476,882	131,606	2,764,248	1,656,778	466,250	41,374	1,769	-	-
Intermediate sources	604	-	-	-	-	-	-	-	-	-
State sources	15,357,075	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	7,954	-	-	720	5,116	-	-	-	-	-
Total receipts	15,602,236	1,476,882	131,606	2,764,968	1,661,894	466,250	41,374	1,769	-	-
Disbursements:										
Instruction	11,122,642	-	-	-	-	-	40,175	32,500	-	-
Support services	4,078,905	-	-	1,219,375	1,349,547	198,007	272,823	1,125	2,470	-
Noninstructional services	234,569	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,275,822	-	-	31,791	-	-	-
Debt service	-	1,953,959	299,081	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,436,116	1,953,959	299,081	2,495,197	1,349,547	198,007	344,789	33,625	2,470	-
Excess (deficiency) of receipts over disbursements	166,120	(477,077)	(167,475)	269,771	312,347	268,243	(303,415)	(31,856)	(2,470)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	728	-	-	6,525	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	318,000	-	-	-
Transfers out	-	-	-	-	(200,000)	(118,000)	-	-	-	-
Total other financing sources (uses)	728	-	-	6,525	(200,000)	(118,000)	318,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	166,848	(477,077)	(167,475)	276,296	112,347	150,243	14,585	(31,856)	(2,470)	-
Cash and investments - ending	\$ 1,699,138	\$ 468,513	\$ 22,623	\$ 2,078,185	\$ 1,702,275	\$ 920,407	\$ 977,380	\$ 838,707	\$ 11,578	\$ -

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	HS-RMS-ML TWINLAKES2017 Construction	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Area Vocational School	Area 10 Discretionary	Area 10- Vocational Skill Up- Level Network Donations	14/15 Alt Ed	15/16 Alt Ed	16/17 Alt Ed
Cash and investments - beginning	\$ -	\$ 74,161	\$ 288,740	\$ -	\$ 157,363	\$ 179,341	\$ -	\$ -	\$ 3,358	\$ 18,945
Receipts:										
Local sources	1,528	393,505	158,420	-	209,094	384	156,030	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	11,280	96,401	-	-	-	-	-	-	-
Federal sources	-	815,639	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	600	-	-	-	-	-	-	-	-
Total receipts	<u>1,528</u>	<u>1,221,024</u>	<u>254,821</u>	<u>-</u>	<u>209,094</u>	<u>384</u>	<u>156,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Instruction	-	-	-	-	193,699	300	-	-	3,358	14,488
Support services	-	600	221,587	-	2,755	-	-	-	-	1,011
Noninstructional services	-	1,176,711	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,001,426	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,800	-	-	-	-	-
Total disbursements	<u>2,001,426</u>	<u>1,177,311</u>	<u>221,587</u>	<u>-</u>	<u>198,254</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>3,358</u>	<u>15,499</u>
Excess (deficiency) of receipts over disbursements	<u>(1,999,898)</u>	<u>43,713</u>	<u>33,234</u>	<u>-</u>	<u>10,840</u>	<u>84</u>	<u>156,030</u>	<u>-</u>	<u>(3,358)</u>	<u>(15,499)</u>
Other financing sources (uses):										
Proceeds of long-term debt	2,000,000	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	78,333	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	8,587	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,000,000</u>	<u>-</u>	<u>78,333</u>	<u>-</u>	<u>-</u>	<u>8,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>102</u>	<u>43,713</u>	<u>111,567</u>	<u>-</u>	<u>10,840</u>	<u>8,671</u>	<u>156,030</u>	<u>-</u>	<u>(3,358)</u>	<u>(15,499)</u>
Cash and investments - ending	<u>\$ 102</u>	<u>\$ 117,874</u>	<u>\$ 400,307</u>	<u>\$ -</u>	<u>\$ 168,203</u>	<u>\$ 188,012</u>	<u>\$ 156,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,446</u>

TWIN LAKES SCHOOL CORPORATION  
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	17/18 Alt Ed	15/16 Early Intervention	16/17 Early Intervention	17/18 Early Intervention	Lilly Counseling Planning Grant	Lilly Counseling Comprehensive	Centurylink C M WMS Foundation	ML - Donations to Music Dept	Fuel Up to Play 60	Donations Including Benevity
Cash and investments - beginning	\$ -	\$ -	\$ 4,236	\$ -	\$ 9,248	\$ -	\$ 3,158	\$ 661	\$ 280	\$ 343
Receipts:										
Local sources	-	-	-	-	-	237,700	-	-	-	1,028
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	17,654	-	-	10,900	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	17,654	-	-	10,900	-	237,700	-	-	-	1,028
Disbursements:										
Instruction	-	-	3,054	9,946	-	-	-	296	277	-
Support services	-	-	1,182	954	9,248	26,833	-	-	-	1,257
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	365	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	4,236	10,900	9,248	26,833	-	661	277	1,257
Excess (deficiency) of receipts over disbursements	17,654	-	(4,236)	-	(9,248)	210,867	-	(661)	(277)	(229)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,654	-	(4,236)	-	(9,248)	210,867	-	(661)	(277)	(229)
Cash and investments - ending	\$ 17,654	\$ -	\$ -	\$ -	\$ -	\$ 210,867	\$ 3,158	\$ -	\$ 3	\$ 114

TWIN LAKES SCHOOL CORPORATION  
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	Eastlawn PTO Technology Donate	Teacher Encouragement- Area Church Donations	Robotics Club Donations	Rotary RMS Stem Donations	PLTW- Gateway Donation	TL Friends Flower Fund	Auto Service & Donations	ML Target Field Trips	PSI IOTA XI- Jump Start	WL Outdoor Ed Center Donations
Cash and investments - beginning	\$ 7,413	\$ -	\$ -	\$ -	\$ -	\$ 681	\$ 1,493	\$ 10	\$ 2,000	\$ 1,003
Receipts:										
Local sources	13,800	8,000	14,500	2,884	10,000	335	560	712	3,377	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	13,800	8,000	14,500	2,884	10,000	335	560	712	3,377	-
Disbursements:										
Instruction	6,800	-	12,460	-	-	-	582	722	3,377	-
Support services	-	8,000	-	-	-	492	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	14,413	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,213	8,000	12,460	-	-	492	582	722	3,377	-
Excess (deficiency) of receipts over disbursements	(7,413)	-	2,040	2,884	10,000	(157)	(22)	(10)	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,413)	-	2,040	2,884	10,000	(157)	(22)	(10)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 2,040	\$ 2,884	\$ 10,000	\$ 524	\$ 1,471	\$ -	\$ 2,000	\$ 1,003

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	Community Foundation of White County Donations	HS - REMC Battle of the Books	2015 Prtnrs Drug Free White Co	2016 Prtnrs Drug Free White Co	2017 Prtnrs Drug Free White Co	2018 Prtnrs Drug Free White Co	Striving for Excellence	Masonic Special Education Kids	Technology Repair & Replace	REMC Grants- Aug 2013 Forward
Cash and investments - beginning	\$ (3,661)	\$ 68	\$ -	\$ -	\$ 1,072	\$ -	\$ 17,482	\$ 340	\$ -	\$ 1,800
Receipts:										
Local sources	7,531	-	-	-	-	2,104	2,251	-	4,200	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	7,531	-	-	-	-	2,104	2,251	-	4,200	-
Disbursements:										
Instruction	6,386	-	-	-	-	-	4,070	-	-	300
Support services	-	-	-	-	1,072	2,064	-	-	3,995	-
Noninstructional services	-	-	-	-	-	-	246	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,386	-	-	-	1,072	2,064	4,316	-	3,995	300
Excess (deficiency) of receipts over disbursements	1,145	-	-	-	(1,072)	40	(2,065)	-	205	(300)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,145	-	-	-	(1,072)	40	(2,065)	-	205	(300)
Cash and investments - ending	\$ (2,516)	\$ 68	\$ -	\$ -	\$ -	\$ 40	\$ 15,417	\$ 340	\$ 205	\$ 1,500

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	Formative Assessment	15/16 High Ability	16/17 High Ability	17/18 High Ability	CNA-DWD Adult Ed Micro Grant	Medicaid Reimbursement	Secured Schools Safety Grant	School Tech E-Rate Fund	15/16 NESP	16/17 NESP
Cash and investments - beginning	\$ -	\$ -	\$ 11,475	\$ -	\$ 20	\$ 288	\$ (7,580)	\$ -	\$ -	\$ 5,561
Receipts:										
Local sources	-	-	-	-	-	-	-	102,573	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	27,624	-	-	34,614	-	24,687	76,699	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	27,624	-	-	34,614	-	24,687	76,699	102,573	-	-
Disbursements:										
Instruction	-	-	11,475	28,911	-	-	-	-	-	2,902
Support services	27,624	-	-	-	-	24,975	72,046	102,515	-	2,595
Noninstructional services	-	-	-	-	-	-	-	-	-	64
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,624	-	11,475	28,911	-	24,975	72,046	102,515	-	5,561
Excess (deficiency) of receipts over disbursements	-	-	(11,475)	5,703	-	(288)	4,653	58	-	(5,561)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(11,475)	5,703	-	(288)	4,653	58	-	(5,561)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 5,703	\$ 20	\$ -	\$ (2,927)	\$ 58	\$ -	\$ -

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	17/18 NESP	School Technology Connectivity	Career and Technical Performance Grant	Performance Based Awards	21st Century Scholar Success	Capital Environmental- IDEM	Technology Repair & Replace	15/16 Title I, Part A	16/17 Title I, Part A
Cash and investments - beginning	\$ -	\$ -	\$ 7,840	\$ -	\$ -	\$ -	\$ 2,423	\$ -	\$ (28,897)
Receipts:									
Local sources	-	-	-	-	-	106,907	1,700	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	27,250	7,770	26,613	71,269	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	77,839
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>27,250</u>	<u>7,770</u>	<u>26,613</u>	<u>71,269</u>	<u>-</u>	<u>106,907</u>	<u>1,700</u>	<u>-</u>	<u>77,839</u>
Disbursements:									
Instruction	23,502	-	26,063	68,090	-	-	-	-	41,506
Support services	-	7,770	-	3,179	-	106,907	-	-	7,436
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	4,123	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>23,502</u>	<u>7,770</u>	<u>26,063</u>	<u>71,269</u>	<u>-</u>	<u>106,907</u>	<u>4,123</u>	<u>-</u>	<u>48,942</u>
Excess (deficiency) of receipts over disbursements	<u>3,748</u>	<u>-</u>	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,423)</u>	<u>-</u>	<u>28,897</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,748</u>	<u>-</u>	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,423)</u>	<u>-</u>	<u>28,897</u>
Cash and investments - ending	<u>\$ 3,748</u>	<u>\$ -</u>	<u>\$ 8,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	17/18 Title I, Part A	15/16 Perkins	16/17 Perkins	Perkins Leadership TI PTB 124	16/17 Perkins Rural Grant	17/18 CTE Summer Expansion Grant	17/18 Perkins	Medicaid Reimbursement - Federal	17/18 21st Century Community Learning Center
Cash and investments - beginning	\$ -	\$ -	\$ (11,221)	\$ -	\$ (6,481)	\$ -	\$ -	\$ 529	\$ (11,049)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	232,731	-	42,843	-	19,249	-	111,263	43,502	265,698
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	232,731	-	42,843	-	19,249	-	111,263	43,502	265,698
Disbursements:									
Instruction	227,612	-	8,054	-	11,741	3,800	110,170	-	149,328
Support services	41,829	-	14,981	-	1,027	-	10,998	44,031	142,497
Noninstructional services	-	-	-	-	-	-	-	-	296
Facilities acquisition and construction	-	-	-	-	-	-	-	-	30,988
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	269,441	-	23,035	-	12,768	3,800	121,168	44,031	323,109
Excess (deficiency) of receipts over disbursements	(36,710)	-	19,808	-	6,481	(3,800)	(9,905)	(529)	(57,411)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(8,587)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(8,587)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,710)	-	11,221	-	6,481	(3,800)	(9,905)	(529)	(57,411)
Cash and investments - ending	\$ (36,710)	\$ -	\$ -	\$ -	\$ -	\$ (3,800)	\$ (9,905)	\$ -	\$ (68,460)

TWIN LAKES SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	FFY15 TII Pt A	FFY16 TII Pt A	FFY17 TII Pt A	FY16 Title III	FY17 Title III	FY18 Title III	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (11,711)	\$ -	\$ -	\$ (860)	\$ -	\$ 16,290	\$ 42,805	\$ 9,456,332
Receipts:									
Local sources	-	-	-	-	-	-	-	-	8,214,633
Intermediate sources	-	-	-	-	-	-	-	-	604
State sources	-	-	-	-	-	-	-	-	15,789,836
Federal sources	-	52,014	26,905	-	6,841	18,339	-	-	1,712,863
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	398,130	3,920,023	4,332,543
Total receipts	-	52,014	26,905	-	6,841	18,339	398,130	3,920,023	30,050,479
Disbursements:									
Instruction	-	-	-	-	5,613	17,761	-	-	12,191,960
Support services	-	40,303	31,389	-	368	268	-	-	8,086,040
Noninstructional services	-	-	-	-	-	310	-	-	1,412,196
Facilities acquisition and construction	-	-	-	-	-	-	-	-	3,358,928
Debt service	-	-	-	-	-	-	-	-	2,253,040
Nonprogrammed charges	-	-	-	-	-	-	394,716	3,919,650	4,316,166
Total disbursements	-	40,303	31,389	-	5,981	18,339	394,716	3,919,650	31,618,330
Excess (deficiency) of receipts over disbursements	-	11,711	(4,484)	-	860	-	3,414	373	(1,567,851)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	2,000,000
Sale of capital assets	-	-	-	-	-	-	-	-	85,586
Transfers in	-	-	-	-	-	-	-	-	326,587
Transfers out	-	-	-	-	-	-	-	-	(326,587)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,085,586
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	11,711	(4,484)	-	860	-	3,414	373	517,735
Cash and investments - ending	\$ -	\$ -	\$ (4,484)	\$ -	\$ -	\$ -	\$ 19,704	\$ 43,178	\$ 9,974,067

TWIN LAKES SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2018

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 185,303</u>	<u>\$ 123,356</u>

TWIN LAKES SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Twin Lakes School Corporation 2008	Lease Rental-Construction & Improvement	\$ 130,500	02/19/2008	12/28/2018
Twin Lakes School Corporation 2012	Lease Rental-Construction & Improvement	150,000	09/11/2012	12/28/2018
Twin Lakes School Corporation 2017	Lease Rental-Construction & Improvement	<u>1,175,000</u>	11/21/2017	12/28/2025
Total of annual lease payments		<u>\$ 1,455,500</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Notes and loans payable	COMMON SCHOOL TECHNOLOGY - A1957		<u>\$ 18,333</u>	<u>\$ 18,425</u>

TWIN LAKES SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2018

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 3,529,192
Buildings	64,771,300
Improvements other than buildings	14,052,860
Machinery, equipment, and vehicles	<u>4,822,581</u>
Total capital assets	<u>\$ 87,175,933</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

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

We have audited the Twin Lakes School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Career and Technical Education - Basic Grants to States***

As described in item 2018-001 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment that are applicable to its Career and Technical Education - Basic Grants to States. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

***Qualified Opinion on Career and Technical Education - Basic Grants to States***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Career and Technical Education - Basic Grants to States* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Career and Technical Education - Basic Grants to States for the period of July 1, 2016 to June 30, 2018.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2016 to June 30, 2018.

***Other Matters***

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

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 2018-001 and 2018-002, 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

February 4, 2019

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

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

TWIN LAKES SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2017, FY 2018	\$ -	\$ 96,015	\$ -	\$ 137,923
National School Lunch Program	Indiana Department of Education	10.555	FY 2017, FY 2018	-	572,177	-	618,027
National School Lunch Program			FY 2017, FY 2018	-	83,099	-	89,993
National School Lunch Program - Commodities				-	-	-	-
Total - National School Lunch Program				-	655,276	-	708,020
Total - Child Nutrition Cluster				-	751,291	-	845,943
Total - Department of Agriculture				-	751,291	-	845,943
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Ed Part B FY 2016			14216-035-PN01	-	453,844	-	-
Special Ed Part B FY 2017			14217-035-PN01	-	173,386	-	348,170
Special Ed Part B FY 2018			18611-035-PN01	-	-	-	214,424
Total - Special Education Grants to States				-	627,230	-	562,594
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Ed Part B 619 Preschool FY2016			45716-035-PN01	-	14,592	-	-
Special Ed Part B 619 Preschool FY2017			45717-035-PN01	-	6,855	-	10,894
Special Ed Part B 619 Preschool FY2018			18619-035-PN01	-	-	-	8,210
Total - Special Education Preschool Grants				-	21,447	-	19,104
Total - Special Education Cluster (IDEA)				-	648,677	-	581,698
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Basic Grant			16-8565	-	62,898	-	-
Title I Basic Grant			17-8565	-	252,716	-	77,839
Title I Basic Grant			18-8565	-	-	-	232,731
Total - Title I Grants to Local Educational Agencies				-	315,614	-	310,570

TWIN LAKES SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048					
Carl D. Perkins Title IV			16-4700-8565	-	30,526	-	-
Carl D. Perkins Title IV			17-4700-8565	-	128,395	-	42,843
Carl D. Perkins Title IV			18-4700-8565	-	-	-	111,263
Carl D. Perkins Title IV			A58-6-16CI-3236	-	11,284	-	-
Carl D. Perkins Title IV			A58-7-17CI-3991	-	80,751	-	19,249
<b>Total - Career and Technical Education - Basic Grants to States</b>				<b>-</b>	<b>250,956</b>	<b>-</b>	<b>173,355</b>
Twenty-First Century Community Learning Centers 21st CCLC Program	Indiana Department of Education	84.287	S287C150014	-	-	-	265,698
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 15-17			01116-096-PN01	-	3,367	-	-
Title III 16-18			01117-094-PN01	-	13,102	-	6,841
Title III 17-19			01118-093-PN01	-	-	-	18,339
<b>Total - English Language Acquisition State Grants</b>				<b>-</b>	<b>16,469</b>	<b>-</b>	<b>25,180</b>
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Pt A 2015-2017			S367A150015	-	55,249	-	-
Title II Pt A 2016-2018			S367A160013	-	33,557	-	52,014
Title II Pt A 2017-2019			S367A170013	-	-	-	31,389
<b>Total - Supporting Effective Instruction State Grants</b>				<b>-</b>	<b>88,806</b>	<b>-</b>	<b>83,403</b>
<b>Total - Department of Education</b>				<b>-</b>	<b>1,320,522</b>	<b>-</b>	<b>1,439,904</b>
<b><u>Department of Health and Human Services</u></b>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778	FY 2017, FY 2018	-	47,094	-	43,502
<b>Total - Department of Health and Human Services</b>				<b>-</b>	<b>47,094</b>	<b>-</b>	<b>43,502</b>
<b>Total federal awards expended</b>				<b>\$ -</b>	<b>\$ 2,118,907</b>	<b>\$ -</b>	<b>\$ 2,329,349</b>

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

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

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. 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.

**Note 3. *Special Education Cooperative***

The School Corporation is a member of a Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

TWIN LAKES SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.048	Special Education Cluster (IDEA)	Unmodified
84.287	Career and Technical Education - Basic Grants to States	Qualified
84.287	Twenty-First Century Community Learning Centers	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.

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

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

**FINDING 2018-001**

Subject: Career and Technical Education - Basic Grants to States - Procurement

Federal Agency: Department of Education

Federal Program: Career and Technical Education - Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers and Years (or Other Identifying Numbers): 16-4700-8565, 17-4700-8565,  
18-4700-8565, A58-6-16CI-3236,  
A58-7-17CI-3991

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

*Condition*

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

The School Corporation did not have controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320.

The School Corporation's purchasing policy was not updated to include all the procurement standards as outlined in 2 CFR 200.318.

The School Corporation did not provide price or rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell within the small purchases procedures. The School Corporation also did not document the rationale for the method of procurement when a non-competitive proposal method was used.

*Context*

The lack of controls and 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). . . ."

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

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. . . .

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

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

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

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the procurement requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the procurement requirements.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2018-002**

Subject: Career and Technical Education - Basic Grants to States - Reporting

Federal Agency: Department of Education

Federal Program: Career and Technical Education - Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers and Years (or Other Identifying Numbers): 16-4700-8565, 17-4700-8565,  
18-4700-8565, A58-6-16CI-3236,  
A58-7-17CI-3991

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*Condition*

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

One individual completed and filed the End of Year Fiscal Reports and the Local Plan End of Grant Narrative Reports without evidence of an oversight or review process.

*Context*

The lack of controls was a systemic issue throughout the audit period, pertaining only to the End of Year Fiscal Reports and the Local Plan End of Grant Narrative Reports.

*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). . . ."

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

*Cause*

Management had not developed a system of internal controls to ensure compliance with the Reporting compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

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



*Twin Lakes School Corporation  
565 Main Street  
Monticello, Indiana 47960*

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-001**

Fiscal year in which the finding initially occurred: July 1<sup>st</sup>, 2014 - June 30<sup>th</sup>, 2016

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

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

Status of Audit Finding:

The Treasurer and Food Service Director work together, along with the IDOE Food & Nutrition to verify the accuracy of the Commodity value reported on the SEFA.

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

**FINDING 2016-002**

Fiscal year in which the finding initially occurred: July 1<sup>st</sup>, 2014 - June 30<sup>th</sup>, 2016

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

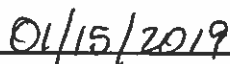
Contact Person Responsible for Corrective Action: Michael L. Galvin, Superintendent, Special Education  
Director, Contact Phone Number: 574-583-7211

Status of Audit Finding:

The Superintendent, along with the Special Education Director and Logansport Business Manager/Controller are working together to ensure compliance with Procurement, Suspension and Debarment. Guidelines in the March 12, 2018, adopted Internal Controls Manual for Logansport Community School Corporation will be followed in this process. This finding has been addressed with the LCSC Internal Controls Manual adopted March 12, 2018, and will be strictly followed.

  
Michael L. Galvin, Superintendent

  
Margie L. Reynolds, Treasurer

  
(Date)



# *Twin Lakes School Corporation*

*Michael Galvin, Superintendent*

*565 South Main Street*

*Monticello, Indiana 47960*

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

## **CORRECTIVE ACTION PLAN**

### ***FINDING 2018-001***

Subject: Career and Technical Education-Basic Grants to States - Procurement

Federal Agency: Department of Education

Federal Program: Career and Technical Education-Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers (or Other Identifying Numbers): 16-4700-8565, 17-4700-8565, 18A-4700-8565,  
A58-6-16CI-3236, A58-7-17CI-3991

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Contact Person Responsible for Corrective Action: Michael L. Galvin, Superintendent, Contact Phone Number: 574-583-7211; James R. Stradling, Director Indian Trails Career Cooperative, Contact Phone Number: 574-583-7264

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Changes to the Equipment/Supply Request form used by Indian Trails Career Cooperative will require each request be submitted with at least three quotes from three different vendors. Each form will require a narrative describing the rationale for recommending one vendor over the others.

Request forms and all quotes will be saved at the Indian Trails Career Cooperative office.

Anticipated Completion Date: March 1, 2019

### ***FINDING 2018-002***

Subject: Career and Technical Education-Basic Grants to States - Reporting

Federal Agency: Department of Education

Federal Program: Career and Technical Education-Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers (or Other Identifying Numbers): 16-4700-8565, 17-4700-8565, 18A-4700-8565,  
A58-6-16CI-3236, A58-7-17CI-3991

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness

Contact Person Responsible for Corrective Action: Michael L. Galvin, Superintendent, Contact Phone Number: 574-583-7211; James R. Stradling, Director Indian Trails Career Cooperative, Contact Phone Number: 574-583-7264

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Perkins End of Year Fiscal Reports and End of Year Narrative Summary Reports will be reviewed and signed by the director of Indian Trails Career Cooperative and the local education agency(LEA) Superintendent or their designee. Copies will be retained at the Indian Trails Career Cooperative office.

Anticipated Completion Date: March 1, 2019

#### 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/>.