

STATE BOARD OF ACCOUNTS
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Room E418
INDIANAPOLIS, INDIANA 46204-2769

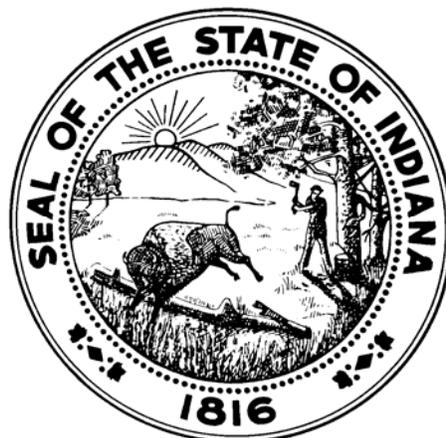
EXAMINATION REPORT

OF

LOOGOOTEE COMMUNITY SCHOOL CORPORATION

MARTIN COUNTY, INDIANA

July 1, 2004 to June 30, 2006



FILED

02/16/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information:	
Government-Wide Financial Schedules:	
Schedule of Cash and Investments.....	4-5
Schedule of Cash Activities.....	6-7
Fund Financial Schedules:	
Governmental Funds:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances	
– Governmental Funds.....	8-9
Fiduciary Funds:	
Schedule of Receipts, Disbursements, and Changes in Cash and Investments	
– Fiduciary Funds.....	10-11
Schedule of Cash and Investments – Fiduciary Funds	12-13
Notes to Financial Information.....	14-16
Exit Conference.....	17

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary M. Walton	07-01-04 to 06-30-07
Superintendent of Schools	Larry Weitkamp	07-01-04 to 06-30-07
President of the School Board	Mike Engleman David Lingenfelter Larry W. Craney	07-01-04 to 06-30-05 07-01-05 to 06-30-06 07-01-06 to 06-30-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LOOGOOTEE COMMUNITY
SCHOOL CORPORATION, MARTIN COUNTY, INDIANA

We have examined the financial information presented herein of the Loogootee Community School Corporation (School Corporation), for the period of July 1, 2004 to June 30, 2006. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

January 4, 2007

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CASH AND INVESTMENTS
 June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 2,284,627
Restricted assets:	
Cash and investments	<u>94,206</u>
Total assets	<u>\$ 2,378,833</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 94,206
Unrestricted	<u>2,284,627</u>
Total net assets	<u>\$ 2,378,833</u>

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CASH AND INVESTMENTS
 June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 4,503,741
Restricted assets:	
Cash and investments	<u>129,235</u>
Total assets	<u>\$ 4,632,976</u>
<u>Net Assets</u>	
Restricted for:	
Debt service	\$ 129,235
Unrestricted	<u>4,503,741</u>
Total net assets	<u>\$ 4,632,976</u>

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CASH ACTIVITIES
 For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 3,395,235	\$ -	\$ 48,797	\$ (3,346,438)
Support services	4,344,999	285,732	126,321	(3,932,946)
Community services	105,339	-	-	(105,339)
Nonprogrammed charges	500,458	-	-	(500,458)
Total governmental activities	\$ 8,346,031	\$ 285,732	\$ 175,118	(7,885,181)
General receipts:				
Property taxes				2,637,930
Other local sources				475,319
State aid				4,625,132
Grants and contributions not restricted				950,970
Sale of property, adjustments, and refunds				41,218
Investment earnings				50,618
Total general receipts				8,781,187
Change in cash and investments				896,006
Net assets - beginning				1,482,827
Net assets - ending				\$ 2,378,833

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CASH ACTIVITIES
 For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 3,562,049	\$ -	\$ 39,344	\$ (3,522,705)
Support services	4,088,919	262,950	149,909	(3,676,060)
Community services	120,146	-	-	(120,146)
Nonprogrammed charges	524,176	-	-	(524,176)
Debt service	403,375	-	-	(403,375)
Total governmental activities	<u>\$ 8,698,665</u>	<u>\$ 262,950</u>	<u>\$ 189,253</u>	<u>(8,246,462)</u>
General receipts:				
Property taxes				4,040,402
Other local sources				604,240
State aid				4,794,103
Grants and contributions not restricted				886,616
Sale of property, adjustments, and refunds				27,111
Investment earnings				148,133
Total general receipts				<u>10,500,605</u>
Change in cash and investments				2,254,143
Net assets - beginning				<u>2,378,833</u>
Net assets - ending				<u>\$ 4,632,976</u>

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2005

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,679,440	\$ 424,517	\$ -	\$ 387,482	\$ 610,616	\$ 41,557	\$ 305,701	\$ 3,449,313
Intermediate sources	96	-	-	-	-	-	188	284
State sources	4,658,870	-	-	-	-	-	175,195	4,834,065
Federal sources	632,237	-	-	-	-	-	284,917	917,154
Sale of property, adjustments and refunds	27,855	762	-	-	-	-	12,604	41,221
Intergovernmental transfers	296,436	-	320,000	700	-	-	46,835	663,971
Total receipts	7,294,934	425,279	320,000	388,182	610,616	41,557	825,440	9,906,008
Disbursements:								
Current:								
Instruction	3,204,912	-	-	-	-	-	190,323	3,395,235
Support services	2,862,265	364,636	-	-	576,655	-	541,443	4,344,999
Community services	105,339	-	-	-	-	-	-	105,339
Nonprogrammed charges	486,708	207,852	-	325,542	79,084	283	64,960	1,164,429
Total disbursements	6,659,224	572,488	-	325,542	655,739	283	796,726	9,010,002
Excess (deficiency) of total receipts over (under) total disbursements	635,710	(147,209)	320,000	62,640	(45,123)	41,274	28,714	896,006
Cash and investments - beginning	835,927	238,747	-	31,458	177,982	33,567	165,146	1,482,827
Cash and investments - ending	<u>\$ 1,471,637</u>	<u>\$ 91,538</u>	<u>\$ 320,000</u>	<u>\$ 94,098</u>	<u>\$ 132,859</u>	<u>\$ 74,841</u>	<u>\$ 193,860</u>	<u>\$ 2,378,833</u>

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,787,414	\$ 682,583	\$ -	\$ 295,104	\$ 581,696	\$ -	\$ 708,250	\$ 5,055,047
Intermediate sources	193	-	-	-	-	-	486	679
State sources	4,820,878	-	-	-	-	-	149,071	4,969,949
Federal sources	594,113	-	-	-	-	-	305,909	900,022
Sale of property, adjustments and refunds	3,795	-	-	-	-	12,500	10,816	27,111
Intergovernmental transfers	284,958	-	200,000	-	-	-	106,906	591,864
Total receipts	8,491,351	682,583	200,000	295,104	581,696	12,500	1,281,438	11,544,672
Disbursements:								
Current:								
Instruction	3,421,834	-	-	-	-	-	140,215	3,562,049
Support services	2,434,609	350,957	72,899	-	601,494	-	628,960	4,088,919
Community services	119,422	-	-	-	-	-	724	120,146
Nonprogrammed charges	532,475	213,176	-	269,352	10,302	-	90,735	1,116,040
Debt services	-	-	-	-	-	-	403,375	403,375
Total disbursements	6,508,340	564,133	72,899	269,352	611,796	-	1,264,009	9,290,529
Excess (deficiency) of total receipts over (under) total disbursements	1,983,011	118,450	127,101	25,752	(30,100)	12,500	17,429	2,254,143
Cash and investments - beginning	1,471,637	91,538	320,000	94,098	132,859	74,841	193,860	2,378,833
Cash and investments - ending	<u>\$ 3,454,648</u>	<u>\$ 209,988</u>	<u>\$ 447,101</u>	<u>\$ 119,850</u>	<u>\$ 102,759</u>	<u>\$ 87,341</u>	<u>\$ 211,289</u>	<u>\$ 4,632,976</u>

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN CASH AND INVESTMENTS
 FIDUCIARY FUNDS
 For The Year Ended June 30, 2005

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 1,200
State sources	-	4,744
Bonds and loans	3,287,023	-
Total additions	3,287,023	5,944
Deductions:		
Instruction	-	4,497
Support services	2,126,734	47,681
Nonprogrammed charges	-	1,792
Total deductions	2,126,734	53,970
Excess (deficiency) of total additions over (under) total deductions	1,160,289	(48,026)
Cash and investments - beginning	-	84,265
Cash and investments - ending	\$ 1,160,289	\$ 36,239

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN CASH AND INVESTMENTS
 FIDUCIARY FUNDS
 For The Year Ended June 30, 2006

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 11,200
State sources	-	5,029
	-	16,229
Total additions		
	-	16,229
Deductions:		
Instruction	-	4,182
Debt services	296,881	12,553
	296,881	16,735
Total deductions		
	296,881	16,735
Deficiency of total additions under total deductions		
	(296,881)	(506)
Cash and investments - beginning		
	1,160,289	36,239
Cash and investments - ending		
	\$ 863,408	\$ 35,733

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CASH AND INVESTMENTS
 FIDUCIARY FUNDS
 June 30, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ 1,160,289	\$ 36,239
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 1,160,289	\$ 36,239

The accompanying notes are an integral part of the financial statements.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CASH AND INVESTMENTS
 FIDUCIARY FUNDS
 June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ 863,408	\$ 35,733
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 863,408	\$ 35,733

The accompanying notes are an integral part of the financial statements.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, 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.

Note 2. Fund Accounting

The School Corporation uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

LOGOOTE Community School Corporation
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plans

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), 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 TRF 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% 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.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

TRF 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:

Teacher's Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Cost

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

Note 7. Scholarship Trust Fund

The Loogootee Community Scholarship Trust Fund receives contributions from donors. According to the desires of the original donor, the Indenture of Trust was created on April 18, 1983. Peoples Bank, Loogootee, Indiana, and its successors, is the trustee, who organizes and administers the trust.

All new contributions are paid to the Trustee, Peoples Bank. The Trustee invests the contributions so as to obtain the highest rate of return with the utmost safety of the funds. Income produced by the contributions invested shall be used to provide scholarships to graduates of Loogootee High School. The Trustee pays the scholarships directly to the selected students.

According to the Indenture of the Trust, the Trustee is to provide the Treasurer of the Loogootee Community School Corporation information regarding the status of the Scholarship Fund.

As of June 30, 2006, the Scholarship Trust Fund balance, including investments, was \$998,722.

Note 8. Long-Term Debt

The School Corporation has entered into various debts such as retirement/severance bonds; loans for construction, renovation and data processing and energy savings equipment; and capital leases for a vehicle and software. The outstanding principal at June 30, 2006, was \$3,235,000, \$3,624,801, and \$49,787, respectively.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 4, 2007, with Larry Weitkamp, Superintendent of Schools; Mary M. Walton, Treasurer; and Larry W. Craney, President of the Board. Our examination disclosed no material items that warrant comment at this time.