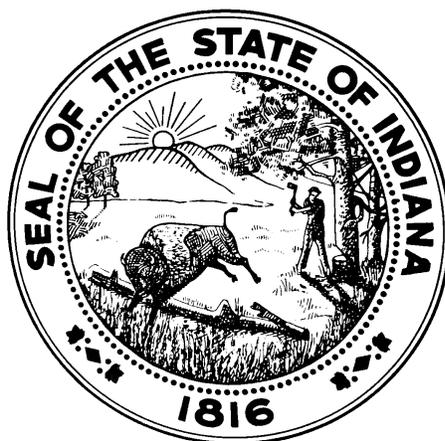


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
LOOGOOTEE COMMUNITY SCHOOL CORPORATION
MARTIN COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
06/11/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary M. Walton	07-01-06 to 06-30-09
Superintendent of Schools	Larry Weitkamp	07-01-06 to 06-30-09
President of the School Board	Larry W. Craney Eric Ackerman	07-01-06 to 06-30-07 07-01-07 to 06-30-09



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Loogootee Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 16, 2009, 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 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 internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 16, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Loogootee Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 16, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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 statements are 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.

We noted certain matters that we reported to management in a separate letter dated April 16, 2009.

This report is intended solely for the information and use of the School Corporation's management, the School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 16, 2009

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,103,882	\$ -	\$ 36,227	\$ (5,067,655)
Support services	2,959,402	248,509	145,497	(2,565,396)
Community services	106,763	-	-	(106,763)
Nonprogrammed charges	763,938	-	-	(763,938)
Debt service	413,651	-	-	(413,651)
Total government	<u>\$ 9,347,636</u>	<u>\$ 248,509</u>	<u>\$ 181,724</u>	<u>(8,917,403)</u>
General receipts:				
Property taxes				2,745,183
Other local sources				342,538
State aid				4,933,836
Grants and contributions not restricted to specific programs				694,157
Sale of property, adjustments, and refunds				18,571
Investment earnings				166,013
Total general receipts				<u>8,900,298</u>
Change in net assets				(17,105)
Net assets - beginning				<u>4,630,115</u>
Net assets - ending				<u>\$ 4,613,010</u>
Assets				
Cash and investments				\$ 4,418,665
Restricted assets:				
Cash and investments				<u>194,345</u>
Total assets				<u>\$ 4,613,010</u>
Net Assets				
Restricted for:				
Debt service				\$ 194,345
Unrestricted				<u>4,418,665</u>
Total net assets				<u>\$ 4,613,010</u>

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

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
 For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 5,102,971	\$ -	\$ 127,574	\$ (4,975,397)
Support services	3,475,877	234,459	173,992	(3,067,426)
Community services	115,018	-	-	(115,018)
Nonprogrammed charges	724,003	-	-	(724,003)
Debt service	519,170	-	-	(519,170)
Total government	<u>\$ 9,937,039</u>	<u>\$ 234,459</u>	<u>\$ 301,566</u>	<u>(9,401,014)</u>
General receipts:				
Property taxes				1,531,227
Other local sources				569,984
State aid				4,728,871
Grants and contributions not restricted to specific programs				506,183
Sale of property, adjustments, and refunds				13,789
Investment earnings				186,732
Total general receipts				<u>7,536,786</u>
Change in net assets				(1,864,228)
Net assets - beginning				<u>4,613,010</u>
Net assets - ending				<u>\$ 2,748,782</u>
Assets				
Cash and investments				\$ 2,700,720
Restricted assets:				
Cash and investments				<u>48,062</u>
Total assets				<u>\$ 2,748,782</u>
Net Assets				
Restricted for:				
Debt service				\$ 48,062
Unrestricted				<u>2,700,720</u>
Total net assets				<u>\$ 2,748,782</u>

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

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,813,973	\$ 453,320	\$ -	\$ 238,060	\$ 447,560	\$ -	\$ 548,641	\$ 3,501,554
Intermediate sources	259	-	-	-	-	-	431	690
State sources	4,957,741	-	-	-	-	-	122,437	5,080,178
Federal sources	436,725	-	-	-	-	-	292,813	729,538
Sale of property, adjustments and refunds	8,706	308	-	-	-	-	9,557	18,571
Total receipts	7,217,404	453,628	-	238,060	447,560	-	973,879	9,330,531
Disbursements:								
Current:								
Instruction	4,924,575	-	-	-	-	-	179,307	5,103,882
Support services	1,369,323	345,535	176,479	-	526,774	74,841	466,450	2,959,402
Community services	106,013	-	-	-	-	-	750	106,763
Nonprogrammed charges	634,971	-	-	-	-	-	128,967	763,938
Debt services	-	-	-	279,692	-	-	133,959	413,651
Total disbursements	7,034,882	345,535	176,479	279,692	526,774	74,841	909,433	9,347,636
Excess (deficiency) of receipts over disbursements	182,522	108,093	(176,479)	(41,632)	(79,214)	(74,841)	64,446	(17,105)
Other financing sources (uses):								
Transfers in	17,710	-	136,500	-	-	-	17,848	172,058
Transfers out	-	(129,000)	-	-	-	(12,500)	(30,558)	(172,058)
Total other financing sources (uses)	17,710	(129,000)	136,500	-	-	(12,500)	(12,710)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	200,232	(20,907)	(39,979)	(41,632)	(79,214)	(87,341)	51,736	(17,105)
Cash and investments - beginning	3,454,648	209,988	447,101	119,850	102,759	87,341	208,428	4,630,115
Cash and investments - ending	<u>\$ 3,654,880</u>	<u>\$ 189,081</u>	<u>\$ 407,122</u>	<u>\$ 78,218</u>	<u>\$ 23,545</u>	<u>\$ -</u>	<u>\$ 260,164</u>	<u>\$ 4,613,010</u>
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 3,654,880	\$ 189,081	\$ 407,122	\$ -	\$ 23,545	\$ -	\$ 144,037	\$ 4,418,665
Restricted assets:								
Cash and investments	-	-	-	78,218	-	-	116,127	194,345
Total cash and investment assets - ending	<u>\$ 3,654,880</u>	<u>\$ 189,081</u>	<u>\$ 407,122</u>	<u>\$ 78,218</u>	<u>\$ 23,545</u>	<u>\$ -</u>	<u>\$ 260,164</u>	<u>\$ 4,613,010</u>
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 78,218	\$ -	\$ -	\$ 116,127	\$ 194,345
Unrestricted	3,654,880	189,081	407,122	-	23,545	-	144,037	4,418,665
Total cash and investment fund balance - ending	<u>\$ 3,654,880</u>	<u>\$ 189,081</u>	<u>\$ 407,122</u>	<u>\$ 78,218</u>	<u>\$ 23,545</u>	<u>\$ -</u>	<u>\$ 260,164</u>	<u>\$ 4,613,010</u>

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

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 1,202,511	\$ 316,159	\$ -	\$ 212,386	\$ 319,462	\$ 471,301	\$ 2,521,819
Intermediate sources	96	-	-	-	-	488	584
State sources	4,826,734	-	-	-	-	118,679	4,945,413
Federal sources	253,012	-	-	-	-	338,195	591,207
Sale of property, adjustments and refunds	6,267	79	-	-	-	7,442	13,788
Interfund loans	-	-	-	-	299,811	-	299,811
Total receipts	6,288,620	316,238	-	212,386	619,273	936,105	8,372,622
Disbursements:							
Current:							
Instruction	4,889,884	-	-	-	-	213,087	5,102,971
Support services	1,688,280	362,538	287,774	-	642,818	494,467	3,475,877
Community services	114,598	-	-	-	-	420	115,018
Nonprogrammed charges	685,503	-	-	-	-	38,500	724,003
Debt services	-	-	-	249,055	-	270,115	519,170
Interfund loans	299,811	-	-	-	-	-	299,811
Total disbursements	7,678,076	362,538	287,774	249,055	642,818	1,016,589	10,236,850
Deficiency of receipts over disbursements	(1,389,456)	(46,300)	(287,774)	(36,669)	(23,545)	(80,484)	(1,864,228)
Other financing sources (uses):							
Transfers in	-	-	-	1,049	-	14,057	15,106
Transfers out	-	-	-	(1,049)	-	(14,057)	(15,106)
Total other financing sources (uses)	-	-	-	-	-	-	-
Deficiency of receipts and other financing sources over disbursements and other financing uses	(1,389,456)	(46,300)	(287,774)	(36,669)	(23,545)	(80,484)	(1,864,228)
Cash and investments - beginning	3,654,880	189,081	407,122	78,218	23,545	260,164	4,613,010
Cash and investments - ending	<u>\$ 2,265,424</u>	<u>\$ 142,781</u>	<u>\$ 119,348</u>	<u>\$ 41,549</u>	<u>\$ -</u>	<u>\$ 179,680</u>	<u>\$ 2,748,782</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,265,424	\$ 142,781	\$ 119,348	\$ -	\$ -	\$ 173,167	\$ 2,700,720
Restricted assets:							
Cash and investments	-	-	-	41,549	-	6,513	48,062
Total cash and investment assets - ending	<u>\$ 2,265,424</u>	<u>\$ 142,781</u>	<u>\$ 119,348</u>	<u>\$ 41,549</u>	<u>\$ -</u>	<u>\$ 179,680</u>	<u>\$ 2,748,782</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 41,549	\$ -	\$ 6,513	\$ 48,062
Unrestricted	2,265,424	142,781	119,348	-	-	173,167	2,700,720
Total cash and investment fund balance - ending	<u>\$ 2,265,424</u>	<u>\$ 142,781</u>	<u>\$ 119,348</u>	<u>\$ 41,549</u>	<u>\$ -</u>	<u>\$ 179,680</u>	<u>\$ 2,748,782</u>

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

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 8,370
Deductions:		
Benefits	367,868	-
Administrative and general	<u>-</u>	<u>22,060</u>
Total deductions	<u>367,868</u>	<u>22,060</u>
Deficiency of total additions over total deductions	(367,868)	(13,690)
Cash and investment fund balance - beginning	<u>863,408</u>	<u>38,594</u>
Cash and investment fund balance - ending	<u>\$ 495,540</u>	<u>\$ 24,904</u>
Net assets:		
Cash and investments	<u>\$ 495,540</u>	<u>\$ 24,904</u>

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

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 5,270
Deductions:		
Benefits	475,707	-
Administrative and general	-	8,109
Total deductions	<u>475,707</u>	<u>8,109</u>
Deficiency of total additions over total deductions	(475,707)	(2,839)
Cash and investment fund balance - beginning	<u>495,540</u>	<u>24,904</u>
Cash and investment fund balance - ending	<u>\$ 19,833</u>	<u>\$ 22,065</u>
Net assets:		
Cash and investments	<u>\$ 19,833</u>	<u>\$ 22,065</u>

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

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Loogootee Community School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Barr-Reeve Community Schools, North Daviess Community Schools, and Washington Community Schools in a joint venture to operate Daviess-Martin Special Education Cooperative that was created to develop and operate special educational programs for students within the jurisdiction of the participating school corporations. The School Corporation is obligated by contract to remit annually a prorated amount based upon each participating school corporation's enrollment to supplement the cooperative. The Cooperative uses the surplus resources to provide special education for participating school students. The Cooperative's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for a pro-rata share of the debts of the Cooperative. Complete financial statements for the Daviess-Martin Special Education Cooperative can be obtained from Daviess-Martin Special Education Cooperative, P.O. Box 637, Washington, Indiana, 47501.

The School Corporation is one of thirteen participating school corporations in a joint venture to operate Twin Rivers Career and Technical Education Area (formerly Twin River Vocation Area) that was created to develop and operate vocational education of students of the participating school corporations. The School Corporation is obligated by contract to remit annually a prorated amount based upon each participating school corporation's enrollment. Twin Rivers Career and Technical Education Area uses the surplus resources to provide vocational education for participating school students. Twin Rivers Career and Technical Education Area's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for a pro-rata share of the debts of the Twin Rivers Career and Technical Education Area. Complete financial statements for the Twin Rivers Career and Technical Education Area can be obtained from Twin Rivers Career and Technical Education Area, 20 North Third Street, Suite 338, Vincennes, Indiana, 47591.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation is one of 39 participating school corporations (33 public and 6 private) in a joint venture to operate Southern Indiana Education Center (SIEC). The SIEC was created to operate and maintain an educational service center in order to allow participating school corporations to cooperate and share certain programs and services. The School Corporation is obligated by contract to remit annually a fee for membership in an amount determined by the governing board of the SIEC. The SIEC's continued existence depends on continued funding by the member school corporations. The member school corporations are obligated for the debts of the SIEC. Complete financial statements for the SIEC can be obtained from Southwest Dubois County School Corporation, 113 Jackson Street, Huntingburg, Indiana, 47542.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The rainy day fund accounts for funds in accordance with IC 36-1-8-3.5 and a locally adopted resolution.

LOGOOTE Community School Corporation
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the bonds and payments anticipated to be made to employees on or after the termination of employment or to pay post-retirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust funds report a trust arrangement under which principal and income benefit the School Corporation and its students.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in 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

LOGOOTE Community School Corporation
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 except for the property tax distribution for June 2008 which was not received until August 2008.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

LOGOOTE Community School Corporation
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2006-2007	2007-2008
School Bus Replacement	General Fund	\$ 12,500	\$ -
Transportation	Rainy Day	129,000	-
Debt Service	Other governmental funds	-	1,049
Other governmental funds	General Fund	5,210	-
	Rainy Day	7,500	-
	Debt Service	-	1,049
	Other governmental funds	<u>17,848</u>	<u>13,008</u>
Totals		<u>\$ 172,058</u>	<u>\$ 15,106</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2006	Fund Reclassification	Balance as Restated July 1, 2006
Governmental activities	\$ 2,861	\$ (2,861)	\$ -
Aggregate remaining fund information	-	2,861	2,861

LOGOOTEEN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment single coverage for medical, dental, and vision insurance benefits, as authorized by Indiana Code 5-10-8, to all certified employees who retire from the School Corporation on or after attaining age fifty-five with at least ten years of service and a single coverage for medical insurance benefits to all noncertified employees who retire from the School Corporation on or after attaining age fifty-five with at least twenty-five years of service with the combination of age and years of service equal to at least eighty-five. This benefit continues until the employee is eligible for Medicare. Currently, twenty-four retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$216,201 were recognized for postemployment benefits.

The School Corporation also provides early retirement incentives to all certified employees who retire from the School Corporation on or after attaining age fifty-five with at least ten years of service. This benefit continues until the employee is eligible for Social Security. In addition, certified employees who are retiring with at least seventeen years of service receive a one-time severance payment based on years of service plus payment for unused sick/personal leave at \$35/day. Noncertified employees who retire with at least ten years of continuous service receive \$10 for each unused sick leave day and with at least fifteen years receive \$15 for each unused sick leave day. Currently twenty-six employees meet these eligibility requirements. The School Corporation provides 100% of these postemployment retirement incentives. During the year ended June 30, 2008, disbursements of \$382,189 were recognized for early retirement incentives.

C. Health Insurance Claim Fund

Loogootee Community School Corporation has an agreement with Nippon Life Insurance Company of America to provide medical and prescription drug coverage for School Corporation employees. Based on a signed agreement with Nippon, the School Corporation remits a portion of their monthly insurance premiums directly to Nippon while the remainder of the monthly premiums is set aside in a bank account at Peoples Bank to be used to reimburse Nippon for medical and prescription claims filed by School Corporation employees. This bank account is set up in the name of Loogootee School Corporation but is not to be used for any other purpose. Interest earned on this accounts remains in the account. The balance of the account as of June 30, 2008, was \$668,678.

LOGOOTE Community School Corporation
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. 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 the 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 member's 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. The 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 plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 45,529
Interest on net pension obligation	(3,904)
Adjustment to annual required contribution	4,449
Annual pension cost	46,074
Contributions made	36,082
Increase in net pension obligation	9,992
Net pension obligation, beginning of year	(53,850)
Net pension obligation, end of year	\$ (43,858)

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	8%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 25,108	149%	\$ (56,226)
	06-30-06	37,552	94%	(53,850)
	06-30-07	46,074	78%	(43,858)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' 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

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 member's 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.

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:

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

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7.25% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$130,844, \$112,070, and \$91,016, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 494,580	\$ 654,047	\$ (159,467)	76%	\$ 449,187	(36%)
07-01-06	463,223	690,201	(226,978)	67%	457,288	(50%)
07-01-07	544,083	789,864	(245,781)	69%	468,719	(52%)

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plates	Safe School Haven
Receipts:						
Local sources	\$ 4,139	\$ 212,763	\$ 91,038	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	431	-
State sources	46,637	6,123	12,351	-	-	-
Federal sources	-	127,022	-	-	-	-
Sale of property, adjustments and refunds	-	9,007	550	-	-	-
Total receipts	<u>50,776</u>	<u>354,915</u>	<u>103,939</u>	<u>-</u>	<u>431</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	346,606	66,762	-	-	30
Community services	-	-	-	-	-	-
Nonprogrammed charges	38,500	-	-	90,467	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>38,500</u>	<u>346,606</u>	<u>66,762</u>	<u>90,467</u>	<u>-</u>	<u>30</u>
Excess (deficiency) of receipts over disbursements	<u>12,276</u>	<u>8,309</u>	<u>37,177</u>	<u>(90,467)</u>	<u>431</u>	<u>(30)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(12,710)	-	-	-	-	-
Total other financing sources (uses)	<u>(12,710)</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	(434)	8,309	37,177	(90,467)	431	(30)
Cash and investments - beginning	<u>26,751</u>	<u>22,809</u>	<u>13,574</u>	<u>90,467</u>	<u>2,925</u>	<u>636</u>
Cash and investments - ending	<u>\$ 26,317</u>	<u>\$ 31,118</u>	<u>\$ 50,751</u>	<u>\$ -</u>	<u>\$ 3,356</u>	<u>\$ 606</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 26,317	\$ 31,118	\$ 50,751	\$ -	\$ 3,356	\$ 606
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 26,317</u>	<u>\$ 31,118</u>	<u>\$ 50,751</u>	<u>\$ -</u>	<u>\$ 3,356</u>	<u>\$ 606</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	26,317	31,118	50,751	-	3,356	606
Total cash and investment fund balance - ending	<u>\$ 26,317</u>	<u>\$ 31,118</u>	<u>\$ 50,751</u>	<u>\$ -</u>	<u>\$ 3,356</u>	<u>\$ 606</u>

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Early Intervention Program	Gifted/ Talented 2008	Non-English Speaking Program	Tech Prep Grant (IWD)	Information Literacy Skill	Beginning Teacher
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	2,500	12,058	-	42,504	-	264
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>2,500</u>	<u>12,058</u>	<u>-</u>	<u>42,504</u>	<u>-</u>	<u>264</u>
Disbursements:						
Current:						
Instruction	-	12,058	-	313	-	600
Support services	2,500	-	-	46,076	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>2,500</u>	<u>12,058</u>	<u>-</u>	<u>46,389</u>	<u>-</u>	<u>600</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,885)</u>	<u>-</u>	<u>(336)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<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>-</u>	<u>-</u>	<u>-</u>	<u>(3,885)</u>	<u>-</u>	<u>(336)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>257</u>	<u>7,528</u>	<u>98</u>	<u>336</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257</u>	<u>\$ 3,643</u>	<u>\$ 98</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 257	\$ 3,643	\$ 98	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257</u>	<u>\$ 3,643</u>	<u>\$ 98</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	257	3,643	98	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257</u>	<u>\$ 3,643</u>	<u>\$ 98</u>	<u>\$ -</u>

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title I 2006	Title I 2007	Title V, Part A (Lib) '06	Title V, Part A (Lib) '07	Drug Free Schools '05	Drug Free Schools '06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	10,900	108,112	-	1,684	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>10,900</u>	<u>108,112</u>	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	12,218	114,709	-	-	368	4,093
Support services	-	1,271	1,421	1,684	-	-
Community services	-	750	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>12,218</u>	<u>116,730</u>	<u>1,421</u>	<u>1,684</u>	<u>368</u>	<u>4,093</u>
Excess (deficiency) of receipts over disbursements	<u>(1,318)</u>	<u>(8,618)</u>	<u>(1,421)</u>	<u>-</u>	<u>(368)</u>	<u>(4,093)</u>
Other financing sources (uses):						
Transfers in	-	17,848	-	-	-	-
Transfers out	(17,848)	-	-	-	-	-
Total other financing sources (uses)	<u>(17,848)</u>	<u>17,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,166)</u>	<u>9,230</u>	<u>(1,421)</u>	<u>-</u>	<u>(368)</u>	<u>(4,093)</u>
Cash and investments - beginning	<u>19,166</u>	<u>-</u>	<u>1,421</u>	<u>-</u>	<u>368</u>	<u>4,980</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 887</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 9,230	\$ -	\$ -	\$ -	\$ 887
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 9,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 887</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	9,230	-	-	-	887
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 887</u>

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Drug Free Schools '07	Title II, Part A Improving Teacher Quality	Title II, Part D Technology Grant	Retirement/ Severance Bond	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 240,701	\$ 548,641
Intermediate sources	-	-	-	-	431
State sources	-	-	-	-	122,437
Federal sources	3,654	41,441	-	-	292,813
Sale of property, adjustments and refunds	-	-	-	-	9,557
Total receipts	<u>3,654</u>	<u>41,441</u>	<u>-</u>	<u>240,701</u>	<u>973,879</u>
Disbursements:					
Current:					
Instruction	-	34,948	-	-	179,307
Support services	-	100	-	-	466,450
Community services	-	-	-	-	750
Nonprogrammed charges	-	-	-	-	128,967
Debt services	-	-	-	133,959	133,959
Total disbursements	<u>-</u>	<u>35,048</u>	<u>-</u>	<u>133,959</u>	<u>909,433</u>
Excess (deficiency) of receipts over disbursements	<u>3,654</u>	<u>6,393</u>	<u>-</u>	<u>106,742</u>	<u>64,446</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	17,848
Transfers out	-	-	-	-	(30,558)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,710)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,654</u>	<u>6,393</u>	<u>-</u>	<u>106,742</u>	<u>51,736</u>
Cash and investments - beginning	<u>-</u>	<u>7,502</u>	<u>225</u>	<u>9,385</u>	<u>208,428</u>
Cash and investments - ending	<u>\$ 3,654</u>	<u>\$ 13,895</u>	<u>\$ 225</u>	<u>\$ 116,127</u>	<u>\$ 260,164</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 3,654	\$ 13,895	\$ 225	\$ -	\$ 144,037
Restricted assets:					
Cash and investments	-	-	-	116,127	116,127
Total cash and investment assets - ending	<u>\$ 3,654</u>	<u>\$ 13,895</u>	<u>\$ 225</u>	<u>\$ 116,127</u>	<u>\$ 260,164</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 116,127	\$ 116,127
Unrestricted	3,654	13,895	225	-	144,037
Total cash and investment fund balance - ending	<u>\$ 3,654</u>	<u>\$ 13,895</u>	<u>\$ 225</u>	<u>\$ 116,127</u>	<u>\$ 260,164</u>

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Education License Plates	Safe School Haven	Early Intervention Program
Receipts:						
Local sources	\$ 2,727	\$ 208,516	\$ 99,557	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	488	-	-
State sources	38,799	6,415	21,895	-	2,354	2,500
Federal sources	-	145,682	-	-	-	-
Sale of property, adjustments and refunds	-	6,842	600	-	-	-
Total receipts	41,526	367,455	122,052	488	2,354	2,500
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	370,279	107,941	-	2,934	2,500
Community services	-	-	-	-	-	-
Nonprogrammed charges	38,500	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	38,500	370,279	107,941	-	2,934	2,500
Excess (deficiency) of receipts over disbursements	3,026	(2,824)	14,111	488	(580)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,026	(2,824)	14,111	488	(580)	-
Cash and investments - beginning	26,317	31,118	50,751	3,356	606	-
Cash and investments - ending	\$ 29,343	\$ 28,294	\$ 64,862	\$ 3,844	\$ 26	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 29,343	\$ 28,294	\$ 64,862	\$ 3,844	\$ 26	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 29,343	\$ 28,294	\$ 64,862	\$ 3,844	\$ 26	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	29,343	28,294	64,862	3,844	26	-
Total cash and investment fund balance - ending	\$ 29,343	\$ 28,294	\$ 64,862	\$ 3,844	\$ 26	\$ -

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Gifted/ Talented 2008	Non-English Speaking Program	Tech Prep Grant (IWD)	Indiana Access Linux Certification Award	Information Literacy Skill	Project Lead the Way
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	29,711	-	9,505	2,500	-	5,000
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	29,711	-	9,505	2,500	-	5,000
Disbursements:						
Current:						
Instruction	18,766	-	-	-	-	3,252
Support services	-	-	9,442	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	18,766	-	9,442	-	-	3,252
Excess (deficiency) of receipts over disbursements	10,945	-	63	2,500	-	1,748
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,945	-	63	2,500	-	1,748
Cash and investments - beginning	-	257	3,643	-	98	-
Cash and investments - ending	\$ 10,945	\$ 257	\$ 3,706	\$ 2,500	\$ 98	\$ 1,748
Cash and Investment Assets - Ending						
Cash and investments	\$ 10,945	\$ 257	\$ 3,706	\$ 2,500	\$ 98	\$ 1,748
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,945	\$ 257	\$ 3,706	\$ 2,500	\$ 98	\$ 1,748
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,945	257	3,706	2,500	98	1,748
Total cash and investment fund balance - ending	\$ 10,945	\$ 257	\$ 3,706	\$ 2,500	\$ 98	\$ 1,748

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I 2007	Title I 2008	Title V, Part A (Lib) '08	Drug Free Schools '06	Drug Free Schools '07
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	11,000	130,715	1,584	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>11,000</u>	<u>130,715</u>	<u>1,584</u>	<u>-</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	9,012	128,832	-	887	2,933
Support services	-	169	1,202	-	-
Community services	-	420	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>9,012</u>	<u>129,421</u>	<u>1,202</u>	<u>887</u>	<u>2,933</u>
Excess (deficiency) of receipts over disbursements	<u>1,988</u>	<u>1,294</u>	<u>382</u>	<u>(887)</u>	<u>(2,933)</u>
Other financing sources (uses):					
Transfers in	-	11,218	1,790	-	-
Transfers out	(11,218)	-	-	-	-
Total other financing sources (uses)	<u>(11,218)</u>	<u>11,218</u>	<u>1,790</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(9,230)</u>	<u>12,512</u>	<u>2,172</u>	<u>(887)</u>	<u>(2,933)</u>
Cash and investments - beginning	<u>9,230</u>	<u>-</u>	<u>-</u>	<u>887</u>	<u>3,654</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 12,512</u>	<u>\$ 2,172</u>	<u>\$ -</u>	<u>\$ 721</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 12,512	\$ 2,172	\$ -	\$ 721
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 12,512</u>	<u>\$ 2,172</u>	<u>\$ -</u>	<u>\$ 721</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	12,512	2,172	-	721
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 12,512</u>	<u>\$ 2,172</u>	<u>\$ -</u>	<u>\$ 721</u>

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Drug Free Schools '08	Title II, Part A Improving Teacher Quality	Title II, Part D Technology Grant	Retirement/ Severance Bond	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 160,501	\$ 471,301
Intermediate sources	-	-	-	-	488
State sources	-	-	-	-	118,679
Federal sources	3,579	45,635	-	-	338,195
Sale of property, adjustments and refunds	-	-	-	-	7,442
Total receipts	<u>3,579</u>	<u>45,635</u>	<u>-</u>	<u>160,501</u>	<u>936,105</u>
Disbursements:					
Current:					
Instruction	-	49,405	-	-	213,087
Support services	-	-	-	-	494,467
Community services	-	-	-	-	420
Nonprogrammed charges	-	-	-	-	38,500
Debt services	-	-	-	270,115	270,115
Total disbursements	<u>-</u>	<u>49,405</u>	<u>-</u>	<u>270,115</u>	<u>1,016,589</u>
Excess (deficiency) of receipts over disbursements	<u>3,579</u>	<u>(3,770)</u>	<u>-</u>	<u>(109,614)</u>	<u>(80,484)</u>
Other financing sources (uses):					
Transfers in	-	-	-	1,049	14,057
Transfers out	(1,790)	-	-	(1,049)	(14,057)
Total other financing sources (uses)	<u>(1,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,789</u>	<u>(3,770)</u>	<u>-</u>	<u>(109,614)</u>	<u>(80,484)</u>
Cash and investments - beginning	<u>-</u>	<u>13,895</u>	<u>225</u>	<u>116,127</u>	<u>260,164</u>
Cash and investments - ending	<u>\$ 1,789</u>	<u>\$ 10,125</u>	<u>\$ 225</u>	<u>\$ 6,513</u>	<u>\$ 179,680</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 1,789	\$ 10,125	\$ 225	\$ -	\$ 173,167
Restricted assets:					
Cash and investments	-	-	-	6,513	6,513
Total cash and investment assets - ending	<u>\$ 1,789</u>	<u>\$ 10,125</u>	<u>\$ 225</u>	<u>\$ 6,513</u>	<u>\$ 179,680</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 6,513	\$ 6,513
Unrestricted	1,789	10,125	225	-	173,167
Total cash and investment fund balance - ending	<u>\$ 1,789</u>	<u>\$ 10,125</u>	<u>\$ 225</u>	<u>\$ 6,513</u>	<u>\$ 179,680</u>

LOGOOTE Community School Corporation
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	St. Vincent DePaul	Phi Delta Kappa Professional Development	Cape Guidance	High School English Dept. Writing Grant	Artist-In Residence '06	Artist-In Residence '07	Hoosier Uplands Scholarship	American Student Instruction Grant	Totals
Additions:									
Contributions:									
Other	\$ 2,049	\$ -	\$ -	\$ 1,000	\$ -	\$ 4,021	\$ 1,300	\$ -	\$ 8,370
Deductions:									
Administrative and general	4,901	10,528	833	-	1,094	2,204	2,500	-	22,060
Excess (deficiency) of total additions over total deductions	(2,852)	(10,528)	(833)	1,000	(1,094)	1,817	(1,200)	-	(13,690)
Cash and investment fund balance - beginning	2,861	31,591	865	-	1,094	-	1,200	983	38,594
Cash and investments - June 30	<u>\$ 9</u>	<u>\$ 21,063</u>	<u>\$ 32</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,817</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 24,904</u>
Net assets:									
Cash and investments	<u>\$ 9</u>	<u>\$ 21,063</u>	<u>\$ 32</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,817</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 24,904</u>

LOGOOTE Community School Corporation
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	St. Vincent DePaul	Phi Delta Kappa Professional Development	Cape Guidance	High School English Dept. Writing Grant	Artist-In Residence '07	Artist-In Residence '08	Hoosier Uplands Scholarship	American Student Instruction Grant	Totals
Additions:									
Contributions:									
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,970	\$ 1,300	\$ -	\$ 5,270
Deductions:									
Administrative and general	-	1,544	-	953	1,817	3,795	-	-	8,109
Excess (deficiency) of total additions over total deductions	-	(1,544)	-	(953)	(1,817)	175	1,300	-	(2,839)
Cash and investment fund balance - beginning	9	21,063	32	1,000	1,817	-	-	983	24,904
Cash and investments - June 30	<u>\$ 9</u>	<u>\$ 19,519</u>	<u>\$ 32</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 1,300</u>	<u>\$ 983</u>	<u>\$ 22,065</u>
Net assets:									
Cash and investments	<u>\$ 9</u>	<u>\$ 19,519</u>	<u>\$ 32</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 1,300</u>	<u>\$ 983</u>	<u>\$ 22,065</u>

Loogootee Community School Corporation

BOARD OF SCHOOL TRUSTEES
MR. ERIC ACKERMAN
MR. TIM BRADLEY
MR. LARRY GATES
MR. SCOTT W HALL
MR. DAVID LINGENFELTER

P.O. BOX 282
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Phone (812) 295-2595
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SUPERINTENDENT OF SCHOOLS
MR. LARRY WEITKAMP
CORPORATION TREASURER
MRS. MARY M. WALTON
ADM. SEC. /DEP. TREASURER
MRS. ANNA MARIE HAND

LOOGOOTE COMMUNITY SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 8,397,987
Improvements other than buildings	564,989
Machinery and equipment	<u>597,057</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 9,560,033</u>

Loogootee Community School Corporation

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LOOGOOTE COMMUNITY SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF LONG-TERM DEBT June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 3,299,972	\$ 299,236
Bonds payable:		
General obligation bonds:		
2004 Retirement/Severance	<u>3,010,000</u>	<u>270,802</u>
Total governmental activities debt	<u>\$ 6,309,972</u>	<u>\$ 570,038</u>

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

TEXTBOOK REIMBURSEMENT FROM DEBT SERVICE FUND

Debt Service Fund money may be used for payment of all unreimbursed costs of textbooks for the school corporation's students who were eligible for free or reduced lunches in the previous school year. Following is the schedule of unreimbursed costs by school of textbooks for the School Corporation's students who were eligible for free or reduced lunches in the previous school year:

<u>Textbook Rental ECA Fund</u>	<u>Unreimbursed Cost of Textbooks</u>		<u>Debt Service Payments Received</u>		<u>Over/(Under) Payments</u>
	<u>SY 2005-2006</u>	<u>SY 2006-2007</u>	<u>SY 2006-2007</u>	<u>SY 2007-2008</u>	
West Elementary	\$ 2,072	\$ 1,969	\$ 6,490	\$ 7,819	\$ 10,268
East Elementary Middle School	1,735	1,982	-	-	(3,717)
Jr./Sr. High School	2,683	3,868	-	-	(6,551)
Totals	<u>\$ 6,490</u>	<u>\$ 7,819</u>	<u>\$ 6,490</u>	<u>\$ 7,819</u>	<u>\$ -</u>

IC 20-40-9-7(a) and (b) state: "Money in the fund may be used for payment of all unreimbursed costs for textbooks for the school corporation's students who were eligible for free or reduced lunches in the previous school year. The governing body may transfer the amount levied to cover unreimbursed costs of textbooks under this section to the textbook rental fund or extracurricular account."

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERPAYMENT COLLECTIONS

An overpayment of \$56,486 was made to the Daviess-Martin Special Education Co-op for the 2007-2008 school year.

School Corporation Officials were requested to follow up with the Daviess-Martin Special Education Co-op to obtain a refund of the amount overpaid. The School Corporation was notified on March 11, 2009, that the overpayment would be applied to the balance owed for the 2008-2009 school year.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Form Number 30A, Honors Diploma Verification, were incorrect for the school year ending June 30, 2006. The difference between the count reported on the honors diplomas and the verified figures are shown below:

LOGOOTE Community School Corporation
 Audit Results and Comments
 (Continued)

<u>School Year</u>	<u>Honors Diplomas Reported on Form 30A</u>	<u>Actual Diplomas Verified</u>	<u>Difference</u>
2006-2007	29	28	1

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

DEPOSITS

Receipts in numerous instances were deposited later than the next business day.

IC 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

TRANSFER TUITION STATEMENT (FORM 515)

The operating costs calculated on page one of Form 515 are not specific to the class of school the form is being completed for. Instead, all costs are prorated to all classes of school on the basis of pupil enrollment for each class compared to the total pupil enrollment of the school corporation. Also, on page three, all credits given for state distributions are uniformly applied to all classes of school and are not specific to the class of school the form is being completed for. For example, Jr./Sr. High students are receiving Prime Time credit (for grades K-3) and elementary students are receiving Academic Honors Diploma credit.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ERRORS ON CLAIMS - SCHOOL LUNCH

Two of five payments observed did not contain evidence that goods and services were received. Receiving tickets, invoices, packing slips and other records did not reflect that personnel checked and received the items appearing on the invoice.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

LOGOOTEER COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Loogootee Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, the School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 16, 2009

LOGOOTE Community School Corporation
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
FY 06-07			\$ 22,155	\$ -
FY 07-08			-	25,580
National School Lunch Program	10.555			
FY 06-07			126,408	-
FY 07-08			-	137,966
Total for federal grantor agency			<u>148,563</u>	<u>163,546</u>
U.S. DEPARTMENT OF DEFENSE				
Direct Grant				
National Defense Authorization Act	12.xxx			
FY 06-07			16,652	-
FY 07-08			-	18,728
Total for federal grantor agency			<u>16,652</u>	<u>18,728</u>
U.S. DEPARTMENT OF EDUCATION				
Direct Grant				
Impact Aid	84.041			
		SO41A-2004-1617	6,150	-
		SO41A-2005-1617	-	53,941
		SO41A-2006-1617	72,658	-
		SO41A-2007-1617	336,338	-
		SO41A-2008-1617	-	177,894
Total for program			<u>415,146</u>	<u>231,835</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
FY 05-06		06-5525	12,218	-
FY 06-07		07-5525	116,730	9,012
FY 07-08		08-5525	-	129,421
Total for program			<u>128,948</u>	<u>138,433</u>
Pass-Through Twin Rivers Career and Technical Education Area				
Vocational Education - Basic Grants to States	84.048			
		06-5525	4,927	-
		07-5525	-	2,449
Total for program			<u>4,927</u>	<u>2,449</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants	84.186			
FY 04-05		04-062	368	-
FY 05-06		05-029	4,093	887
FY 06-07		06-5525	-	2,933
Total for program			<u>4,461</u>	<u>3,820</u>
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education	84.243			
FY 06-08		TP-5-154	20,102	-
FY 09-11		TP-6-154	26,287	9,442
FY 09-11		TP-6-154	565	-
Total for program			<u>46,954</u>	<u>9,442</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
FY 05-06		05-5525	1,421	-
FY 06-07		06-5525	1,684	-
FY 07-08		07-5525	-	1,202
Total for program			<u>3,105</u>	<u>1,202</u>
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants	84.367			
FY 05-06		05-039	10,993	-
FY 06-07		06-5525	24,055	17,345
FY 07-08		07-5525	-	32,061
Total for program			<u>35,048</u>	<u>49,406</u>
Total for federal grantor agency			<u>638,589</u>	<u>436,587</u>
Total federal awards expended			<u>\$ 803,804</u>	<u>\$ 618,861</u>

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

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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Loogootee Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
School Breakfast Program	10.553	\$ 3,212	\$ 2,794
National School Lunch Program	10.555	18,328	15,070

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.041	Child Nutrition Cluster Impact Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2009, with Larry Weitkamp, Superintendent of Schools; Mary M. Walton, Treasurer; and Eric Ackerman, President of the School Board.