

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

AUDIT REPORT
OF
LOGOOTEER COMMUNITY SCHOOL CORPORATION
MARTIN COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
01/24/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-21
Required Supplementary Information:	
Schedule of Funding Progress	22
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	23-30
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	31-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	33-34
Schedule of Capital Assets.....	35
Schedule of Long-Term Debt	36
Audit Results and Comments:	
Appropriations.....	37
Academic Honors Diploma – Amount Due the State of Indiana Due to Corrected Reporting	37
Supplemental Audit of Federal Awards:	
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.....	40-41
Schedule of Expenditures of Federal Awards	42-43
Notes to Schedule of Expenditures of Federal Awards.....	44
Schedule of Findings and Questioned Costs	45-46
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	47
Corrective Action Plan.....	48
Exit Conference.....	49

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary M. Walton	07-01-08 to 6-30-11
Superintendent of Schools	Larry Weitkamp	07-01-08 to 6-30-11
President of the School Board	Eric Ackerman	07-01-08 to 6-30-11



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 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, 2009 and 2010, 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, 2009 and 2010, 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 November 30, 2010, 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 integral part of 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 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

November 30, 2010



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

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, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 30, 2010. 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 December 6, 2010.

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

November 30, 2010

LOGOOTE Community School Corporation
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<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	\$ 5,237,448	\$ -	\$ 130,915	\$ (5,106,533)
Support services	3,066,415	243,255	197,854	(2,625,306)
Noninstructional services	508,109	-	-	(508,109)
Facilities acquisition and construction	387,884	-	-	(387,884)
Debt service	507,195	-	-	(507,195)
Nonprogrammed charges	651,343	-	-	(651,343)
	<u>\$ 10,358,394</u>	<u>\$ 243,255</u>	<u>\$ 328,769</u>	<u>(9,786,370)</u>
General receipts:				
Property taxes				2,854,856
Other local sources				508,363
State aid				5,275,114
Grants and contributions not restricted to specific programs				1,020,039
Investment earnings				83,987
Other				58,874
				<u>9,801,233</u>
Change in net assets				14,863
Net assets - beginning				<u>2,748,782</u>
Net assets - ending				<u>\$ 2,763,645</u>
<u>Assets</u>				
Cash and investments				\$ 2,755,640
Restricted assets:				
Cash and investments				<u>8,005</u>
Total assets				<u>\$ 2,763,645</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 8,005
Unrestricted				<u>2,755,640</u>
Total net assets				<u>\$ 2,763,645</u>

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

LOGOOTE Community School Corporation
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<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	\$ 4,944,908	\$ -	\$ 120,877	\$ (4,824,031)
Support services	2,972,749	230,096	195,080	(2,547,573)
Noninstructional services	499,200	-	-	(499,200)
Facilities acquisition and construction	150,628	-	-	(150,628)
Debt service	527,457	-	-	(527,457)
Nonprogrammed charges	661,580	-	-	(661,580)
	<u>\$ 9,756,522</u>	<u>\$ 230,096</u>	<u>\$ 315,957</u>	<u>(9,210,469)</u>
Total governmental activities				
General receipts:				
Property taxes				2,251,926
Other local sources				410,763
State aid				6,473,509
Grants and contributions not restricted to specific programs				683,984
Investment earnings				76,349
Other				4,158
				<u>9,900,689</u>
Total general receipts				
Change in net assets				690,220
Net assets - beginning				<u>2,763,645</u>
Net assets - ending				<u>\$ 3,453,865</u>
<u>Assets</u>				
Cash and investments				\$ 3,119,609
Restricted assets:				
Cash and investments				<u>334,256</u>
Total assets				<u>\$ 3,453,865</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 334,256
Unrestricted				<u>3,119,609</u>
Total net assets				<u>\$ 3,453,865</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, 2009

	General	Rainy Day	Fiscal Stabilization	Other	Totals
Receipts:					
Local sources	\$ 1,800,268	\$ -	\$ -	\$ 1,889,523	\$ 3,689,791
Intermediate sources	313	-	-	356	669
State sources	5,376,319	-	-	124,008	5,500,327
Federal sources	211,992	-	569,382	342,222	1,123,596
Other	2,049	51,815	-	5,010	58,874
Total receipts	7,390,941	51,815	569,382	2,361,119	10,373,257
Disbursements:					
Current:					
Instruction	5,005,467	-	-	231,981	5,237,448
Support services	2,253,561	-	-	812,854	3,066,415
Noninstructional services	122,733	-	-	385,376	508,109
Facilities acquisition and construction	(30,234)	314,286	-	103,832	387,884
Debt services	-	-	-	507,195	507,195
Nonprogrammed charges	612,843	-	-	38,500	651,343
Total disbursements	7,964,370	314,286	-	2,079,738	10,358,394
Excess (deficiency) of receipts over disbursements	(573,429)	(262,471)	569,382	281,381	14,863
Other financing sources (uses):					
Transfers in	301,709	559,372	-	375,250	1,236,331
Transfers out	(374,879)	-	-	(861,452)	(1,236,331)
Total other financing sources (uses)	(73,170)	559,372	-	(486,202)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(646,599)	296,901	569,382	(204,821)	14,863
Cash and investments - beginning	2,265,424	119,348	-	364,010	2,748,782
Cash and investments - ending	\$ 1,618,825	\$ 416,249	\$ 569,382	\$ 159,189	\$ 2,763,645
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 1,618,825	\$ 416,249	\$ 569,382	\$ 151,184	\$ 2,755,640
Restricted assets:					
Cash and investments	-	-	-	8,005	8,005
Total cash and investment assets - ending	\$ 1,618,825	\$ 416,249	\$ 569,382	\$ 159,189	\$ 2,763,645
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 8,005	\$ 8,005
Unrestricted	1,618,825	416,249	569,382	151,184	2,755,640
Total cash and investment fund balance - ending	\$ 1,618,825	\$ 416,249	\$ 569,382	\$ 159,189	\$ 2,763,645

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, 2010

	General	Rainy Day	Fiscal Stabilization	Other	Totals
Receipts:					
Local sources	\$ 122,629	\$ -	\$ -	\$ 2,846,116	\$ 2,968,745
Intermediate sources	202	-	-	188	390
State sources	6,564,841	-	-	93,580	6,658,421
Federal sources	179,468	-	207,221	428,339	815,028
Other	1,111	-	-	3,047	4,158
Total receipts	6,868,251	-	207,221	3,371,270	10,446,742
Disbursements:					
Current:					
Instruction	4,333,823	-	312,371	298,714	4,944,908
Support services	2,012,140	-	123,466	837,143	2,972,749
Noninstructional services	94,924	-	23,232	381,044	499,200
Facilities acquisition and construction	-	58,011	7,176	85,441	150,628
Debt services	-	-	-	527,457	527,457
Nonprogrammed charges	312,722	-	310,358	38,500	661,580
Total disbursements	6,753,609	58,011	776,603	2,168,299	9,756,522
Excess (deficiency) of receipts over disbursements	114,642	(58,011)	(569,382)	1,202,971	690,220
Other financing sources (uses):					
Transfers in	406,765	286,161	-	48,807	741,733
Transfers out	(31,433)	-	-	(710,300)	(741,733)
Total other financing sources (uses)	375,332	286,161	-	(661,493)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	489,974	228,150	(569,382)	541,478	690,220
Cash and investments - beginning	1,618,825	416,249	569,382	159,189	2,763,645
Cash and investments - ending	\$ 2,108,799	\$ 644,399	\$ -	\$ 700,667	\$ 3,453,865
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 2,108,799	\$ 644,399	\$ -	\$ 366,411	\$ 3,119,609
Restricted assets:					
Cash and investments	-	-	-	334,256	334,256
Total cash and investment assets - ending	\$ 2,108,799	\$ 644,399	\$ -	\$ 700,667	\$ 3,453,865
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 334,256	\$ 334,256
Unrestricted	2,108,799	644,399	-	366,411	3,119,609
Total cash and investment fund balance - ending	\$ 2,108,799	\$ 644,399	\$ -	\$ 700,667	\$ 3,453,865

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, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 6,927	
Deductions:			
Benefits	19,833	-	
Administrative and general	-	8,268	
Total deductions	19,833	8,268	
Deficiency of total additions over total deductions	(19,833)	(1,341)	
Cash and investment fund balance - beginning	19,833	22,065	
Cash and investment fund balance - ending	\$ -	\$ 20,724	\$ 49
Net assets:			
Cash and investments	\$ -	\$ 20,724	\$ 49

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, 2010

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 387,000	\$ -	
Other	<u>-</u>	<u>3,793</u>	
Total additions	<u>387,000</u>	<u>3,793</u>	
Deductions:			
Benefits	218,202	-	
Administrative and general	<u>-</u>	<u>3,472</u>	
Total deductions	<u>218,202</u>	<u>3,472</u>	
Excess of total additions over total deductions	168,798	321	
Cash and investment fund balance - beginning	<u>-</u>	<u>20,724</u>	
Cash and investment fund balance - ending	<u>\$ 168,798</u>	<u>\$ 21,045</u>	<u>\$ 3,488</u>
Net assets:			
Cash and investments	<u>\$ 168,798</u>	<u>\$ 21,045</u>	<u>\$ 3,488</u>

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

LOGOOTEER 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 in a joint venture to operate Daviess-Martin Special Education Cooperative which was created to develop and operate special education programs for students within the jurisdiction of the participating school corporations. The School Corporation is required 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 School Corporation is obligated for a pro-rata share of the debt of the Cooperative. The Daviess-Martin Special Education Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Daviess-Martin Special Education Cooperative can be obtained from P.O. Box 637, Washington, IN 47501.

The School Corporation is a participant in a joint venture to operate Twin Rivers Career and Technical Education Area which was created to develop and operate vocation 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. The Twin Rivers Career and Technical Education Area uses the surplus resources to provide vocational education for the participating school students. The School Corporation is obligated for a pro-rata share of the debts of the Twin Rivers Career and Technical Education Area. The Twin Rivers Career and Technical Education Area's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Twin Rivers Career and Technical Education Area can be obtained from 20 North Third Street, Suite 338, Vincennes, IN 47591.

The School Corporation is a participant in a joint venture to operate Southern Indiana Education Center (SIEC) which 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 School Corporation is obligated for the debts of the SIEC. The SIEC's continued existence depends on continued funding by the

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

School Corporation. Complete financial statements for the Southern Indiana Education Center can be obtained from Southwest Dubois County School Corporation, 113 Jackson Street, Huntingburg, IN 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. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, at this time, the School Corporation does not have any business-type activities.

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 rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for 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 cooperation in a trustee capacity.

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

Agency funds account for assets held by the School Corporation as an agent for employee payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may 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.

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. 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.

5. Long-Term Debt

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

6. 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."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

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.

F. Internal and Interfund 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 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.

LOGOOTEЕ COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Government-Wide Financial Statements

Interfund activity, if any, is 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. Prior to November 1, 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.

B. Disbursements in Excess of Appropriations

For the years ended December 31, 2008 and 2009, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2008	2009
Rainy Day	\$ 6,815	\$ -
Special Education Preschool	-	538
Totals	\$ 6,815	\$ 538

These disbursements were funded by available fund balances.

LOGOOTEER 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. IC 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. According to the School Corporation's investment policy, the School Corporation is authorized to invest in bonds, bill, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the state; and in certificates of deposit issued by a state or national bank organized and authorized to operate a bank in this state; and in any other financial instrument authorized by Indiana laws. At June 30, 2010, the School Corporation had deposit balances in the amount of \$4,160,134.

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, 2009 and 2010, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008-2009</u>	<u>2009-2010</u>
General Fund	Other Governmental Funds	\$ 374,879	\$ 31,433
Other Governmental Funds	General Fund	301,709	406,765
	Rainy Day Fund	559,372	286,161
	Other Governmental Funds	<u>371</u>	<u>17,374</u>
Totals		<u>\$ 1,236,331</u>	<u>\$ 741,733</u>

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

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 risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Termination Benefits

The School Corporation also provides early retirement incentives to all certified employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. This benefit continues until the employee is eligible for Social Security. In addition, certified employees who are retiring with at least 17 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 10 years of continuous service receive \$10 for each unused sick leave day and with at least 15 years of continuous service receive \$15 for each unused sick leave day. Currently 26 employees meet these eligibility requirements. The School Corporation provides 100% of these postemployment retirement incentives. During the year ended June 30, 2010, disbursements of \$332,576 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, 2010, was \$598,530.

D. Other Postemployment Benefits

Defined Contribution Healthcare Plan

Plan Description

Loogootee Community School Corporation Healthcare Plan is a defined contribution healthcare plan administered by Nippon Life Insurance Company of America. The plan provides medical, dental, and vision coverage, as well as other medical expenses under Section 213 in the Internal Revenue Code to eligible retirees and their spouses. Indiana Code 5-10-08 assigns the authority to establish and amend benefit provisions to the School Corporation.

Funding Policy

The contribution requirements of plan members for the Loogootee Community School Corporation Healthcare Plan are established by the School Corporation's governing board. The required contribution by plan members is \$1. For the year ended June 30, 2010, the School Corporation contributed \$203,984 to the plan.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$103,041.

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 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.

LOGOOTE Community School Corporation
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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's contributions to the plan during the period were \$257,663.

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)
07-01-07	\$ 544,083	\$ 789,864	\$ (245,781)	69%	\$ 468,719	(52%)
07-01-08	513,314	803,940	(290,626)	64%	488,855	(59%)
07-01-09	594,312	853,619	(259,307)	70%	509,908	(51%)

LOOGOOTE 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, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Education License Plates	Safe School Haven	Early Intervention Program
Receipts:							
Local sources	\$ 528,397	\$ 4,347	\$ 207,739	\$ 89,547	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	356	-	-
State sources	-	36,557	6,397	39,306	-	1,632	2,500
Federal sources	-	-	152,151	-	-	-	-
Other	347	-	4,113	550	-	-	-
Total receipts	<u>528,744</u>	<u>40,904</u>	<u>370,400</u>	<u>129,403</u>	<u>356</u>	<u>1,632</u>	<u>2,500</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	362,822	-	-	114,823	-	1,618	2,500
Noninstructional services	-	-	385,361	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	38,500	-	-	-	-	-
Total disbursements	<u>362,822</u>	<u>38,500</u>	<u>385,361</u>	<u>114,823</u>	<u>-</u>	<u>1,618</u>	<u>2,500</u>
Excess (deficiency) of receipts over disbursements	<u>165,922</u>	<u>2,404</u>	<u>(14,961)</u>	<u>14,580</u>	<u>356</u>	<u>14</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	148,625	-	-	-	-	-	-
Transfers out	(457,328)	(12,044)	-	-	-	-	-
Total other financing sources (uses)	<u>(308,703)</u>	<u>(12,044)</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	(142,781)	(9,640)	(14,961)	14,580	356	14	-
Cash and investments - beginning	<u>142,781</u>	<u>29,343</u>	<u>28,294</u>	<u>64,862</u>	<u>3,844</u>	<u>26</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 19,703</u>	<u>\$ 13,333</u>	<u>\$ 79,442</u>	<u>\$ 4,200</u>	<u>\$ 40</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 19,703	\$ 13,333	\$ 79,442	\$ 4,200	\$ 40	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 19,703</u>	<u>\$ 13,333</u>	<u>\$ 79,442</u>	<u>\$ 4,200</u>	<u>\$ 40</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	19,703	13,333	79,442	4,200	40	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 19,703</u>	<u>\$ 13,333</u>	<u>\$ 79,442</u>	<u>\$ 4,200</u>	<u>\$ 40</u>	<u>\$ -</u>

LOOGOOTE 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, 2009
 (Continued)

	Gifted and Talented	Non-English Speaking Program	Tech Prep Grant (IWD)	Indiana Access Linux Certification Award	Tobacco Prevention and Cessation	Information Literacy Skill	Project Lead the Way
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	29,711	-	-	-	-	-	7,905
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	29,711	-	-	-	500	-	7,905
Disbursements:							
Current:							
Instruction	31,156	-	-	-	-	-	5,609
Support services	-	-	1,808	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	31,156	-	1,808	-	-	-	5,609
Excess (deficiency) of receipts over disbursements	(1,445)	-	(1,808)	-	500	-	2,296
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(1,898)	-	-	-	-
Total other financing sources (uses)	-	-	(1,898)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,445)	-	(3,706)	-	500	-	2,296
Cash and investments - beginning	10,945	257	3,706	2,500	-	98	1,748
Cash and investments - ending	<u>\$ 9,500</u>	<u>\$ 257</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 500</u>	<u>\$ 98</u>	<u>\$ 4,044</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 9,500	\$ 257	\$ -	\$ 2,500	\$ 500	\$ 98	\$ 4,044
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 9,500</u>	<u>\$ 257</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 500</u>	<u>\$ 98</u>	<u>\$ 4,044</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,500	257	-	2,500	500	98	4,044
Total cash and investment fund balance - ending	<u>\$ 9,500</u>	<u>\$ 257</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 500</u>	<u>\$ 98</u>	<u>\$ 4,044</u>

LOOGOOTE 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, 2009
 (Continued)

	Title I 2008	Title I 2009	Title V, Part A (Lib) 2008	Title V, Part A (Lib) 2009	Drug Free Schools 2007	Drug Free Schools 2008	Drug Free Schools 2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	13,000	130,660	-	618	-	-	2,818
Other	-	-	-	-	-	-	-
Total receipts	13,000	130,660	-	618	-	-	2,818
Disbursements:							
Current:							
Instruction	22,783	126,696	-	-	721	1,326	-
Support services	2,358	62	2,172	-	-	-	-
Noninstructional services	-	15	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	25,141	126,773	2,172	-	721	1,326	-
Excess (deficiency) of receipts over disbursements	(12,141)	3,887	(2,172)	618	(721)	(1,326)	2,818
Other financing sources (uses):							
Transfers in	-	371	-	-	-	-	-
Transfers out	(371)	-	-	-	-	-	-
Total other financing sources (uses)	(371)	371	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,512)	4,258	(2,172)	618	(721)	(1,326)	2,818
Cash and investments - beginning	12,512	-	2,172	-	721	1,789	-
Cash and investments - ending	\$ -	\$ 4,258	\$ -	\$ 618	\$ -	\$ 463	\$ 2,818
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 4,258	\$ -	\$ 618	\$ -	\$ 463	\$ 2,818
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,258	\$ -	\$ 618	\$ -	\$ 463	\$ 2,818
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,258	-	618	-	463	2,818
Total cash and investment fund balance - ending	\$ -	\$ 4,258	\$ -	\$ 618	\$ -	\$ 463	\$ 2,818

LOOGOOTE 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, 2009
 (Continued)

	Title II, Part A Improving Teacher Quality 2008	Title II, Part A Improving Teacher Quality 2009	Title II, Part D Technology Grant	Debt Service	Retirement/ Severance Bond	Capital Projects	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 290,973	\$ 266,165	\$ 501,855	\$ 1,889,523
Intermediate sources	-	-	-	-	-	-	356
State sources	-	-	-	-	-	-	124,008
Federal sources	-	42,975	-	-	-	-	342,222
Other	-	-	-	-	-	-	5,010
Total receipts	-	42,975	-	290,973	266,165	501,855	2,361,119
Disbursements:							
Current:							
Instruction	10,125	33,565	-	-	-	-	231,981
Support services	-	-	225	-	-	324,466	812,854
Noninstructional services	-	-	-	-	-	-	385,376
Facilities acquisition and construction	-	-	-	-	-	103,832	103,832
Debt services	-	-	-	236,394	270,801	-	507,195
Nonprogrammed charges	-	-	-	-	-	-	38,500
Total disbursements	10,125	33,565	225	236,394	270,801	428,298	2,079,738
Excess (deficiency) of receipts over disbursements	(10,125)	9,410	(225)	54,579	(4,636)	73,557	281,381
Other financing sources (uses):							
Transfers in	-	-	-	-	-	226,254	375,250
Transfers out	-	-	-	(90,000)	-	(299,811)	(861,452)
Total other financing sources (uses)	-	-	-	(90,000)	-	(73,557)	(486,202)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,125)	9,410	(225)	(35,421)	(4,636)	-	(204,821)
Cash and investments - beginning	10,125	-	225	41,549	6,513	-	364,010
Cash and investments - ending	\$ -	\$ 9,410	\$ -	\$ 6,128	\$ 1,877	\$ -	\$ 159,189
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 9,410	\$ -	\$ -	\$ -	\$ -	\$ 151,184
Restricted assets:							
Cash and investments	-	-	-	6,128	1,877	-	8,005
Total cash and investment assets - ending	\$ -	\$ 9,410	\$ -	\$ 6,128	\$ 1,877	\$ -	\$ 159,189
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 6,128	\$ 1,877	\$ -	\$ 8,005
Unrestricted	-	9,410	-	-	-	-	151,184
Total cash and investment fund balance - ending	\$ -	\$ 9,410	\$ -	\$ 6,128	\$ 1,877	\$ -	\$ 159,189

LOOGOOTE 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, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Education License Plate	Safe Haven School	Early Intervention
Receipts:							
Local sources	\$ 904,830	\$ -	\$ 200,180	\$ 94,850	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	188	-	-
State sources	-	19,250	-	21,986	-	-	22,800
Federal sources	-	-	173,094	-	-	-	-
Other	373	-	2,224	450	-	-	-
Total receipts	905,203	19,250	375,498	117,286	188	-	22,800
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	15,300
Support services	365,774	-	-	118,993	-	-	7,500
Noninstructional services	-	-	381,044	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	38,500	-	-	-	-	-
Total disbursements	365,774	38,500	381,044	118,993	-	-	22,800
Excess (deficiency) of receipts over disbursements	539,429	(19,250)	(5,546)	(1,707)	188	-	-
Other financing sources (uses):							
Transfers in	-	-	4,220	-	-	-	-
Transfers out	(367,299)	(453)	(4,220)	-	-	-	-
Total other financing sources (uses)	(367,299)	(453)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	172,130	(19,703)	(5,546)	(1,707)	188	-	-
Cash and investments - beginning	-	19,703	13,333	79,442	4,200	40	-
Cash and investments - ending	\$ 172,130	\$ -	\$ 7,787	\$ 77,735	\$ 4,388	\$ 40	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 172,130	\$ -	\$ 7,787	\$ 77,735	\$ 4,388	\$ 40	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 172,130	\$ -	\$ 7,787	\$ 77,735	\$ 4,388	\$ 40	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	172,130	-	7,787	77,735	4,388	40	-
Total cash and investment fund balance - ending	\$ 172,130	\$ -	\$ 7,787	\$ 77,735	\$ 4,388	\$ 40	\$ -

LOOGOOTE 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, 2010
 (Continued)

	Gifted and Talented	Non-English Speaking Program	Indiana Access Linux Certification Award	Tobacco Prevention and Cessation	Information Literacy Skill	Project Lead the Way	Title I 2010
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	29,544	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	131,003
Other	-	-	-	-	-	-	-
Total receipts	29,544	-	-	-	-	-	131,003
Disbursements:							
Current:							
Instruction	33,237	-	-	-	-	1,248	133,368
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	33,237	-	-	-	-	1,248	133,368
Excess (deficiency) of receipts over disbursements	(3,693)	-	-	-	-	(1,248)	(2,365)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	7,098
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	7,098
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,693)	-	-	-	-	(1,248)	4,733
Cash and investments - beginning	9,500	257	2,500	500	98	4,044	-
Cash and investments - ending	\$ 5,807	\$ 257	\$ 2,500	\$ 500	\$ 98	\$ 2,796	\$ 4,733
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,807	\$ 257	\$ 2,500	\$ 500	\$ 98	\$ 2,796	\$ 4,733
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 5,807	\$ 257	\$ 2,500	\$ 500	\$ 98	\$ 2,796	\$ 4,733
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,807	257	2,500	500	98	2,796	4,733
Total cash and investment fund balance - ending	\$ 5,807	\$ 257	\$ 2,500	\$ 500	\$ 98	\$ 2,796	\$ 4,733

LOOGOOTE 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, 2010
 (Continued)

	Title I 2009	Title V, Part A (Lib) 2009	Drug Free Schools 2008	Drug Free Schools 2010	Drug Free Schools 2009	Title II, Part A Improving Teacher Quality 2010	Title II, Part A Improving Teacher Quality 2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	13,500	-	-	3,526	-	43,855	-
Other	-	-	-	-	-	-	-
Total receipts	13,500	-	-	3,526	-	43,855	-
Disbursements:							
Current:							
Instruction	10,660	-	463	260	2,299	33,972	9,410
Support services	-	618	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	10,660	618	463	260	2,299	33,972	9,410
Excess (deficiency) of receipts over disbursements	2,840	(618)	(463)	3,266	(2,299)	9,883	(9,410)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(7,098)	-	-	-	-	-	-
Total other financing sources (uses)	(7,098)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,258)	(618)	(463)	3,266	(2,299)	9,883	(9,410)
Cash and investments - beginning	4,258	618	463	-	2,818	-	9,410
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,266</u>	<u>\$ 519</u>	<u>\$ 9,883</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ 3,266	\$ 519	\$ 9,883	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,266</u>	<u>\$ 519</u>	<u>\$ 9,883</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	3,266	519	9,883	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,266</u>	<u>\$ 519</u>	<u>\$ 9,883</u>	<u>\$ -</u>

LOOGOOTE 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, 2010
 (Continued)

	Title I Stimulus	ARRA Education Technology Grant	Debt Service	Retirement/ Severance Bond	Capital Projects	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 459,911	\$ 443,797	\$ 742,548	\$ 2,846,116
Intermediate sources	-	-	-	-	-	188
State sources	-	-	-	-	-	93,580
Federal sources	61,884	1,477	-	-	-	428,339
Other	-	-	-	-	-	3,047
Total receipts	61,884	1,477	459,911	443,797	742,548	3,371,270
Disbursements:						
Current:						
Instruction	58,497	-	-	-	-	298,714
Support services	-	11,738	-	-	332,520	837,143
Noninstructional services	-	-	-	-	-	381,044
Facilities acquisition and construction	-	-	-	-	85,441	85,441
Debt services	-	-	261,339	266,118	-	527,457
Nonprogrammed charges	-	-	-	-	-	38,500
Total disbursements	58,497	11,738	261,339	266,118	417,961	2,168,299
Excess (deficiency) of receipts over disbursements	3,387	(10,261)	198,572	177,679	324,587	1,202,971
Other financing sources (uses):						
Transfers in	-	10,276	-	20,611	6,602	48,807
Transfers out	-	-	(50,000)	(20,611)	(260,619)	(710,300)
Total other financing sources (uses)	-	10,276	(50,000)	-	(254,017)	(661,493)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,387	15	148,572	177,679	70,570	541,478
Cash and investments - beginning	-	-	6,128	1,877	-	159,189
Cash and investments - ending	\$ 3,387	\$ 15	\$ 154,700	\$ 179,556	\$ 70,570	\$ 700,667
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 3,387	\$ 15	\$ -	\$ -	\$ 70,570	\$ 366,411
Restricted assets:						
Cash and investments	-	-	154,700	179,556	-	334,256
Total cash and investment assets - ending	\$ 3,387	\$ 15	\$ 154,700	\$ 179,556	\$ 70,570	\$ 700,667
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 154,700	\$ 179,556	\$ -	\$ 334,256
Unrestricted	3,387	15	-	-	70,570	366,411
Total cash and investment fund balance - ending	\$ 3,387	\$ 15	\$ 154,700	\$ 179,556	\$ 70,570	\$ 700,667

LOGOOTEЕ 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, 2009

	Resource Activity	St. Vincent DePaul	Phi Delta Kappa Professional Development	Cape Guidance	High School English Dept. Writing Grant	Artist in Residence 2008	Hoosier Uplands Scholarship	American Student Instruction Grant	Totals
Additions:									
Contributions:									
Other	\$ 2,936	\$ 2,691	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ -	\$ 6,927
Deductions:									
Administrative and general	-	2,700	4,189	32	47	-	1,300	-	8,268
Excess (deficiency) of total additions over total deductions	2,936	(9)	(4,189)	(32)	(47)	-	-	-	(1,341)
Cash and investment fund balance - beginning	-	9	19,519	32	47	175	1,300	983	22,065
Cash and investments - June 30	<u>\$ 2,936</u>	<u>\$ -</u>	<u>\$ 15,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 1,300</u>	<u>\$ 983</u>	<u>\$ 20,724</u>
Net assets:									
Cash and investments	<u>\$ 2,936</u>	<u>\$ -</u>	<u>\$ 15,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 1,300</u>	<u>\$ 983</u>	<u>\$ 20,724</u>

LOGOOTEЕ 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, 2010

	Resource Activity	Phi Delta Kappa Professional Development	Artist in Residence 2008	Artist in Residence 2010	Peers Grant	Hoosier Uplands Scholarship	American Student Instruction Grant	Totals
Additions:								
Contributions:								
Other	\$ -	\$ -	\$ -	\$ 1,850	\$ 643	\$ 1,300	\$ -	\$ 3,793
Deductions:								
Administrative and general	-	172	175	525	-	2,600	-	3,472
Excess (deficiency) of total additions over total deductions	-	(172)	(175)	1,325	643	(1,300)	-	321
Cash and investment fund balance - beginning	2,936	15,330	175	-	-	1,300	983	20,724
Cash and investments - June 30	<u>\$ 2,936</u>	<u>\$ 15,158</u>	<u>\$ -</u>	<u>\$ 1,325</u>	<u>\$ 643</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 21,045</u>
Net assets:								
Cash and investments	<u>\$ 2,936</u>	<u>\$ 15,158</u>	<u>\$ -</u>	<u>\$ 1,325</u>	<u>\$ 643</u>	<u>\$ -</u>	<u>\$ 983</u>	<u>\$ 21,045</u>

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Payroll	Totals
Additions:		
Agency fund additions	\$ 1,573,464	\$ 1,573,464
Deductions:		
Agency fund deductions	1,572,920	1,572,920
Excess of total additions over total deductions	544	544
Cash and investment fund balance - beginning	(495)	(495)
Cash and investment fund balance - ending	\$ 49	\$ 49

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	Payroll	Totals
Additions:		
Agency fund additions	\$ 1,460,351	\$ 1,460,351
Deductions:		
Agency fund deductions	1,456,912	1,456,912
Excess of total additions over total deductions	3,439	3,439
Cash and investment fund balance - beginning	49	49
Cash and investment fund balance - ending	\$ 3,488	\$ 3,488

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2010

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	571,489
Machinery and equipment	<u>562,991</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 9,532,467</u>

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

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	\$ 2,957,584	\$ 299,236
Bonds payable:		
General obligation bonds:		
2004 Retirement/Severance	<u>2,770,000</u>	<u>271,112</u>
Total governmental activities debt	<u>\$ 5,727,584</u>	<u>\$ 570,348</u>

LOGOOTEER COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Rainy Day	2008	\$ 6,815
Special Education Preschool	2009	538

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

ACADEMIC HONORS DIPLOMA - AMOUNT DUE THE STATE OF INDIANA DUE TO CORRECTED REPORTING

Prior Report B34382 noted a difference between the student count reported for Academic Honors Diplomas and the verified figures of one student for 2006-2007 school year. The Audit Report concluded that School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment the School Corporation has received or could receive in the future because of incorrect reporting.

The Department of Education notified the School Corporation by e-mail dated November 18, 2010, of the recalculation of the Basic Grant based upon the State Board of Accounts Audit and subsequent corrected counts for academic honors diplomas which resulted in the School Corporation being overpaid a total of \$900. The corrected counts caused a recalculation and a decrease in the 2010-2011 Basic Grant amount paid to the School Corporation. The adjustment will be made on the January 2011 Basic Grant distribution.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

(This page intentionally left blank.)

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, 2009 and 2010. 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, 2009 and 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1.

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

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)

effect on a major 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

November 30, 2010

LOGOOTEER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 27,732	\$ -
FY 08-09			-	30,140
FY 09-10			-	-
National School Lunch Program	10.555		147,603	-
FY 08-09			-	-
FY 09-10			-	165,282
Total for cluster			<u>175,335</u>	<u>195,422</u>
Total for federal grantor agency			<u>175,335</u>	<u>195,422</u>
U.S. DEPARTMENT OF DEFENSE				
Department of Defense Impact Aid	12.558		-	-
SY 08-09			17,690	-
SY 09-10			-	23,735
Total for federal grantor agency			<u>17,690</u>	<u>23,735</u>
U.S. DEPARTMENT OF EDUCATION				
Impact Aid Cluster				
Impact Aid	84.041			
		S041B-2006-1616	11,833	-
		S041B-2009-1616	60,735	-
		S041A-2009-1617	121,733	-
		S041A-2006-1617	-	62,661
		S041B-2010-1616	-	53,342
		S041A-2010-1617	-	39,730
Total for cluster			<u>194,301</u>	<u>155,733</u>
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		08-5525	25,140	-
		09-5525	126,773	10,661
		10-5525	-	133,368
ARRA - Title I Grants to Local Educational Agencies	84.389			
FY 09-10			-	58,497
Total for cluster			<u>151,913</u>	<u>202,526</u>
Educational Technology State Grants Cluster				
Education Technology State Grants	84.318	06-5525	225	-
ARRA - Education Technology State Grants	84.386		-	11,739
Total for cluster			<u>225</u>	<u>11,739</u>

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

LOGOOTEER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394			
2009			-	645,458
2010			-	131,145
Total for cluster			-	776,603
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 06-07		06-5525	721	-
FY 07-08		07-5525	1,327	463
FY 08-09		08-5525	-	2,299
FY 09-10		09-5525	-	260
Total for program			2,048	3,022
State Grants for Innovative Programs	84.298			
FY 07-08		07-5525	2,171	-
FY 2007			-	618
Total for program			2,171	618
Improving Teacher Quality State Grants	84.367			
FY 07-08		07-5525	10,124	-
FY 08-09		08-5525	33,565	9,410
FY 09-10		09-5525	-	33,972
Total for program			43,689	43,382
Total for federal grantor agency			394,347	1,193,623
Total federal awards expended			<u>\$ 587,372</u>	<u>\$ 1,412,780</u>

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

LOGOOTEЕ 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 cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	\$ 3,578	\$ 3,862
National School Lunch Program	10.555	18,961	21,705

LOGOOTEER 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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Title I, Part A Cluster
	State Fiscal Stabilization Fund Cluster

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.

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-1, REPORTING

Federal Agency: U.S. Department of Education
Federal Programs: (CFDA Title) Title I, Part A Cluster
CFDA Numbers: 84.010 and 84.389
Pass-Through: Indiana Department of Education
Award Number and Year: 09-5525 (2008-2009) and 10-5525 (2009-2010)

As part of the Title I grant requirements established by the Indiana Department of Education, the School Corporation is required to submit quarterly monitoring reports to Indiana Department of Education by the 10th of the month following the end of the quarter. However, the School Corporation did not file the reports on time and did not file the quarterly monitoring report for the 4th quarter of the 2008-2009 grant year. Additionally, the final annual expenditure report for the 2008-2009 was due by October 30, 2009, and was not filed timely. Officials for the School Corporation have not established adequate procedures for preparing or filing the required reports in a timely manner.

According to the Title I Quarterly Monitoring Report, the reports are due on the following schedule:

January 1 - March 31	Due April 10
April 1 - June 30	Due July 10
July 1 - September 30	Due October 10
October 1 - December 31	Due January 10

According to correspondence from the Indiana Department of Education the Final Title I Annual Expenditure Report is due by October 30.

Circular A-133 section .300 (d) Subpart C--Auditees§____.300 Auditee responsibilities states:

"The auditee shall: . . . (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs."

The School Corporation is not in compliance with reporting requirements for the program. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended that School Corporation Officials prepare all required reports on a timely basis, and contact the Indiana Department of Education regarding whether to file previously required reports.

LOGOOTEER COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Loogootee Community School Corporation

BOARD OF SCHOOL TRUSTEES

MR. ERIC ACKERMAN
MR. TIM BRADLEY
MR. LARRY W CRANEY
MR. SCOTT W HALL
MR. SHAWN HOWELL

P.O. BOX 282
LOOGOOTE, INDIANA 47553

Phone (812) 295-2595
FAX (812) 295-5595

SUPERINTENDENT OF SCHOOLS

MR. LARRY WEITKAMP
CORPORATION TREASURER
MRS. MARY M. WALTON
ADM. SEC. /DEP. TREASURER
MRS. ANNA MARIE HAND

CORRECTIVE ACTION PLAN

FINDING NO. 2010-1 INTERNAL CONTROL/REPORTING.

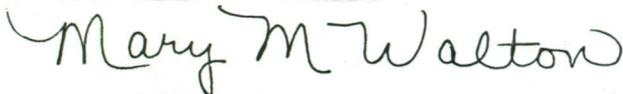
AUDITEE CONTACT PERSON: MARY M. WALTON
TITLE OF CONTACT PERSON: CORPORATION TREASURER
PHONE NUMBER OF CONTACT PERSON: 812-295-2595

EXPECTED COMPLETION DATE:

Our bank statements have been delivered to our local bank by courier mail. The statements normally arrive the second week of the month which makes it difficult to balance the previous month and complete the Title I Quarterly Reports by the 10th of the month.

I have contacted The German American Bank and now have the monthly statements mailed directly to our office instead of being delivered by courier. With this change in place I now receive the statement within the first week of the following month. I am now able to balance the month and file the Title I Quarterly Report by the 10th due date. I will be filing the next report by the January 10, 2011 due date.

Sincerely,



Mary M. Walton
Corporation Treasurer
November 15, 2010

LOGOOTEER COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2010, with Larry Weitkamp, Superintendent of Schools; Mary M. Walton, Treasurer; and Eric Ackerman, President of the School Board. The officials concurred with our audit findings.