

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

LAPORTE COMMUNITY SCHOOL CORPORATION
LAPORTE COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
12/04/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Patricia G. Baxter	01-01-12 to 12-31-15
Chief Financial Officer	Rande S. Thorpe M. Gregory Hunt	07-01-12 to 06-30-13 07-01-13 to 06-30-15
Superintendent of Schools	Dr. Glade T. Montgomery Rande S. Thorpe (Interim) Michael Petibone (Interim) Mark D. Francesconi	07-01-12 to 07-17-13 07-18-13 to 04-25-13 04-26-13 to 07-06-14 07-07-14 to 07-01-15
President of the School Board	Mark Kosior Michael Kellems Shannon Hannon	01-01-12 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



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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

TO: THE OFFICIALS OF THE LAPORTE COMMUNITY SCHOOL CORPORATION, LAPORTE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the LaPorte Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is October 29, 2015, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

January 29, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is October 29, 2015



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

TO: THE OFFICIALS OF THE LAPORTE COMMUNITY SCHOOL
CORPORATION, LAPORTE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the LaPorte Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 29, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is October 29, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

LaPorte Community School Corporation's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 29, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is October 29, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

LAPORTE COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13		Other Financing Sources (Uses)		Cash and Investments 06-30-14	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ 9,472,857	\$ 38,997,996	\$ 37,141,583	\$ -	\$ 11,329,270	\$ 40,371,134	\$ 38,708,457	\$ -	\$ 12,991,947	
Debt Service	108,335	3,510,506	6,619,056	-	(3,000,215)	10,917,582	6,825,500	-	1,091,867	
Retirement/Severance Bond Debt Service	380,147	(215,586)	1,109,194	-	(944,633)	2,175,609	1,086,721	-	144,255	
Capital Projects	1,468,352	4,948,771	3,715,326	18,249	2,720,046	5,577,460	3,258,349	-	5,039,157	
School Transportation	(1,460,142)	2,287,795	2,642,426	-	(1,814,773)	5,020,584	2,817,620	-	388,191	
School Bus Replacement	(968,518)	2,885,331	416,480	-	1,500,333	963,195	532,038	-	1,931,490	
Retirement/Severance Bond	1,868,786	-	434,471	-	1,434,315	-	533,850	-	900,465	
Construction 5 Projects	-	-	157,154	-	(157,154)	157,154	-	-	-	
School Lunch	2,299,614	3,209,609	3,130,597	-	2,378,626	3,326,845	3,056,999	-	2,648,472	
Textbook Rental	272,260	555,899	402,092	-	426,067	560,876	555,780	-	431,163	
Levy Excess	309,937	(309,937)	-	-	-	-	-	-	-	
Sp Ed Co-Op	3,050,748	5,671,268	5,846,604	-	2,875,412	6,046,486	5,305,722	-	3,616,176	
Sp Ed Co-Op Preschool	315,570	509,546	462,833	-	362,283	351,203	530,040	-	183,446	
Sp Ed/ Louie's Angels	2,993	2,270	1,252	-	4,011	3,400	6,339	-	1,072	
Child Care Program	206,127	224,914	191,738	-	239,303	205,261	190,716	-	253,848	
Drug/Suicide Prevention	-	5,000	-	-	5,000	-	-	-	5,000	
Kline Estate KDG Support	1,317,614	-	-	-	1,317,614	-	-	-	1,317,614	
CPR Training	-	1,160	625	-	535	1,265	194	-	1,606	
Trans Employee Fund	3	111	-	-	114	98	150	-	62	
Missoula Children's Theatre	660	2,802	3,462	-	-	-	-	-	-	
PSI Teen Pregnancy	750	5,000	5,287	-	463	5,000	5,054	-	409	
Hailmann Unity Fdtn	2,320	6,000	4,374	-	3,946	5,100	4,292	-	4,754	
LPHS Preschool	6,359	-	6,359	-	-	-	-	-	-	
New Beginning Blazer Preschool	1,508	-	1,508	-	-	-	-	-	-	
Handley/Unity/LFL	353	-	20	-	333	-	333	-	-	
K.Hts. Unity Fdtn	421	-	-	-	421	-	421	-	-	
BMS/Alcoa/Science	1,884	-	1,225	-	659	1,000	659	-	1,000	
Preschool Programs	(2,593)	72,406	70,537	-	(724)	87,782	69,129	-	17,929	
Education Technology	50	11,751	12,955	-	(1,154)	23,448	16,427	-	5,867	

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

LAPORTE COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Drug Free Communities	996	2,445	3,019	-	422	-	422	-	-
Early Childhood Intervention (First Steps)	-	-	-	-	-	4,024	-	-	4,024
Medicaid Reimbursement	15,630	37,803	53,433	-	-	14,967	-	-	14,967
Section 125 TFR	55,965	162,370	155,026	-	63,309	140,728	149,689	-	54,348
Life Ins TFR	118,559	88,804	89,843	-	117,520	98,699	91,095	-	125,124
LTD Ins TFR	75,534	91,777	90,634	-	76,677	92,212	93,865	-	75,024
Work Comp Ins TFR	94,119	253,178	301,461	-	45,836	289,047	334,269	-	614
Medical/Dental Ins TFR	5,814,383	6,804,720	6,850,785	-	5,768,318	7,184,416	7,168,071	-	5,784,663
Supplemental Life Ins TFR	9,687	64,924	63,923	-	10,688	70,934	69,445	-	12,177
Non-English Speaking Programs P.L. 273-1999	2,845	28,238	18,053	-	13,030	27,680	33,374	-	7,336
School Technology	-	25,248	17,372	-	7,876	22,488	20,006	-	10,358
ISAIP ACD Planning Grant	1,676	-	-	-	1,676	-	-	-	1,676
PLTW Alcoa	4,212	25,000	25,640	-	3,572	-	3,572	-	-
Alcoa/Lincoln Lions	770	3,000	2,886	-	884	3,000	1,922	-	1,962
High Ability	9,954	54,997	40,052	-	24,899	57,689	27,849	-	54,739
Title I	(64,675)	1,303,876	1,385,990	-	(146,789)	1,298,775	1,265,344	-	(113,358)
Title I Delinquent	(7,399)	103,879	118,210	-	(21,730)	113,950	97,996	-	(5,776)
Work Ethic Program	19	5,000	1,984	-	3,035	-	675	-	2,360
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(167,755)	2,394,239	2,409,887	-	(183,403)	2,750,320	2,773,178	-	(206,261)
Sp Ed Preschool	(5,819)	68,609	69,072	-	(6,282)	96,207	110,771	-	(20,846)
Medicaid Reimbursement - Federal	53,204	70,637	10,958	-	112,883	(19,993)	6,860	-	86,030
21st Century/Handley	(6,894)	65,646	60,830	-	(2,078)	2,078	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(6,042)	154,621	160,484	-	(11,905)	235,974	241,732	-	(17,663)
Title III - Language Instruction	(3,221)	50,370	49,123	-	(1,974)	28,913	29,988	-	(3,049)
Education Jobs	(75,490)	339,939	264,449	-	-	-	-	-	-
Payroll Clearing	248,242	44,308,634	44,314,399	-	242,477	45,161,728	45,180,651	-	223,554
Totals	\$ 24,824,895	\$ 118,890,566	\$ 118,934,671	\$ 18,249	\$ 24,799,039	\$ 133,474,318	\$ 121,205,564	\$ -	\$ 37,067,793

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

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. These are a result of corrections made in subsequent periods. The Retirement/Severance Bond Debt Service fund negative receipts of \$215,586 resulted from recording property taxes that were based on estimates that were repaid in the subsequent period. The Levy Excess fund negative receipts of \$309,937 resulted from the transfer of property taxes that were previously recorded in the Levy Excess fund to the General fund as instructed by the Indiana Department of Local Government Finance instructions.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of property tax distribution problems and delays by the County for the Debt Service, Retirement/Severance Bond Debt Service, and School Transportation funds at June 30, 2013. Others are the result of funds that are set up for reimbursable grants and funds used for reimbursable expenditures. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014.

Note 9. Holding Corporations

The School Corporation has entered into capital leases with the LaPorte Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ending June 30, 2013, and June 30, 2014, totaled \$6,619,056 and \$6,825,500, respectively.

Note 10. Subsequent Events

On December 9, 2014, the School Corporation sold general obligation bonds to finance capital improvement projects at Kessler and Boston Middle Schools. Project costs are estimated to be \$4,030,519 and this debt will be repaid in 2015 and 2016.

In 2014, the County will complete final reconciliation of tax collections for the 2013 property tax year. This will be the completion of a process of reissuing property tax bills for the last eight property tax years. In April 2014, LaPorte County completed an approved assessment of property tax values for the 2013 payable 2014 property tax year. First installment property tax bills for that tax year were billed and then subsequently settled to governmental units in June 2014. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the County. It is undeterminable how much property tax collections the County will receive once all the reconciliation bills have been distributed and the collections received.

Note 11. Other Postemployment Benefits

The School Corporation provides health and life insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Retirement/ Severance Bond	Construction 5 Projects	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 9,472,857	\$ 108,335	\$ 380,147	\$ 1,468,352	\$ (1,460,142)	\$ (968,518)	\$ 1,868,786	\$ -	\$ 2,299,614	\$ 272,260
Receipts:										
Local sources	318,773	3,358,637	(215,586)	4,856,539	2,234,246	2,861,334	-	-	1,241,929	300,458
Intermediate sources	162,645	-	-	-	-	-	-	-	-	-
State sources	38,425,132	151,869	-	89,882	52,689	15,497	-	-	29,187	255,441
Federal sources	-	-	-	-	-	-	-	-	1,930,759	-
Other	91,446	-	-	2,350	860	8,500	-	-	7,734	-
Total receipts	<u>38,997,996</u>	<u>3,510,506</u>	<u>(215,586)</u>	<u>4,948,771</u>	<u>2,287,795</u>	<u>2,885,331</u>	<u>-</u>	<u>-</u>	<u>3,209,609</u>	<u>555,899</u>
Disbursements:										
Current:										
Instruction	25,444,721	-	-	-	-	-	-	-	-	-
Support services	11,159,815	-	-	3,200,850	2,642,426	416,480	434,471	-	898	402,092
Noninstructional services	537,047	-	-	-	-	-	-	-	3,129,699	-
Facilities acquisition and construction	-	-	-	514,476	-	-	-	157,154	-	-
Debt services	-	6,619,056	1,109,194	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>37,141,583</u>	<u>6,619,056</u>	<u>1,109,194</u>	<u>3,715,326</u>	<u>2,642,426</u>	<u>416,480</u>	<u>434,471</u>	<u>157,154</u>	<u>3,130,597</u>	<u>402,092</u>
Excess (deficiency) of receipts over disbursements	<u>1,856,413</u>	<u>(3,108,550)</u>	<u>(1,324,780)</u>	<u>1,233,445</u>	<u>(354,631)</u>	<u>2,468,851</u>	<u>(434,471)</u>	<u>(157,154)</u>	<u>79,012</u>	<u>153,807</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	18,249	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,856,413</u>	<u>(3,108,550)</u>	<u>(1,324,780)</u>	<u>1,251,694</u>	<u>(354,631)</u>	<u>2,468,851</u>	<u>(434,471)</u>	<u>(157,154)</u>	<u>79,012</u>	<u>153,807</u>
Cash and investments - ending	<u>\$ 11,329,270</u>	<u>\$ (3,000,215)</u>	<u>\$ (944,633)</u>	<u>\$ 2,720,046</u>	<u>\$ (1,814,773)</u>	<u>\$ 1,500,333</u>	<u>\$ 1,434,315</u>	<u>\$ (157,154)</u>	<u>\$ 2,378,626</u>	<u>\$ 426,067</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Levy Excess	Sp Ed Co-Op	Sp Ed Co-Op Preschool	Sp Ed/ Louie's Angels	Child Care Program	Drug/ Suicide Prevention	Kline Estate KDG Support	CPR Training	Trans Employee Fund	Missoula Children's Theatre
Cash and investments - beginning	\$ 309,937	\$ 3,050,748	\$ 315,570	\$ 2,993	\$ 206,127	\$ -	\$ 1,317,614	\$ -	\$ 3	\$ 660
Receipts:										
Local sources	-	5,670,691	508,920	2,270	224,914	5,000	-	1,160	-	2,802
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	(309,937)	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	577	626	-	-	-	-	-	111	-
Total receipts	(309,937)	5,671,268	509,546	2,270	224,914	5,000	-	1,160	111	2,802
Disbursements:										
Current:										
Instruction	-	4,679,369	329,203	399	-	-	-	-	-	3,462
Support services	-	1,103,335	133,630	-	-	-	-	625	-	-
Noninstructional services	-	-	-	853	191,738	-	-	-	-	-
Facilities acquisition and construction	-	63,900	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,846,604	462,833	1,252	191,738	-	-	625	-	3,462
Excess (deficiency) of receipts over disbursements	(309,937)	(175,336)	46,713	1,018	33,176	5,000	-	535	111	(660)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(309,937)	(175,336)	46,713	1,018	33,176	5,000	-	535	111	(660)
Cash and investments - ending	\$ -	\$ 2,875,412	\$ 362,283	\$ 4,011	\$ 239,303	\$ 5,000	\$ 1,317,614	\$ 535	\$ 114	\$ -

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	PSI Teen Pregnancy	Hailmann Unity Fdtn	LPHS Preschool	New Beginning Blazer Preschool	Handley/ Unity/ LFL	K.Hts. Unity Fdtn	BMS/ Alcoa/ Science	Preschool Programs	Education Technology
Cash and investments - beginning	\$ 750	\$ 2,320	\$ 6,359	\$ 1,508	\$ 353	\$ 421	\$ 1,884	\$ (2,593)	\$ 50
Receipts:									
Local sources	5,000	6,000	-	-	-	-	-	72,406	8,360
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	3,391
Total receipts	5,000	6,000	-	-	-	-	-	72,406	11,751
Disbursements:									
Current:									
Instruction	-	4,374	6,359	-	20	-	1,225	-	-
Support services	5,287	-	-	-	-	-	-	-	12,955
Noninstructional services	-	-	-	1,508	-	-	-	70,537	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,287	4,374	6,359	1,508	20	-	1,225	70,537	12,955
Excess (deficiency) of receipts over disbursements	(287)	1,626	(6,359)	(1,508)	(20)	-	(1,225)	1,869	(1,204)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(287)	1,626	(6,359)	(1,508)	(20)	-	(1,225)	1,869	(1,204)
Cash and investments - ending	\$ 463	\$ 3,946	\$ -	\$ -	\$ 333	\$ 421	\$ 659	\$ (724)	\$ (1,154)

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Section 125 TFR	Life Ins TFR	LTD Ins TFR	Work Comp Ins TFR	Medical/ Dental/ Ins TFR	Supplemental Life Ins TFR
Cash and investments - beginning	\$ 996	\$ -	\$ 15,630	\$ 55,965	\$ 118,559	\$ 75,534	\$ 94,119	\$ 5,814,383	\$ 9,687
Receipts:									
Local sources	2,445	-	-	162,370	88,804	91,777	253,178	6,804,720	64,924
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	37,803	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,445</u>	<u>-</u>	<u>37,803</u>	<u>162,370</u>	<u>88,804</u>	<u>91,777</u>	<u>253,178</u>	<u>6,804,720</u>	<u>64,924</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	3,019	-	53,433	155,026	89,843	90,634	301,461	6,850,785	63,923
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>3,019</u>	<u>-</u>	<u>53,433</u>	<u>155,026</u>	<u>89,843</u>	<u>90,634</u>	<u>301,461</u>	<u>6,850,785</u>	<u>63,923</u>
Excess (deficiency) of receipts over disbursements	<u>(574)</u>	<u>-</u>	<u>(15,630)</u>	<u>7,344</u>	<u>(1,039)</u>	<u>1,143</u>	<u>(48,283)</u>	<u>(46,065)</u>	<u>1,001</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(574)</u>	<u>-</u>	<u>(15,630)</u>	<u>7,344</u>	<u>(1,039)</u>	<u>1,143</u>	<u>(48,283)</u>	<u>(46,065)</u>	<u>1,001</u>
Cash and investments - ending	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,309</u>	<u>\$ 117,520</u>	<u>\$ 76,677</u>	<u>\$ 45,836</u>	<u>\$ 5,768,318</u>	<u>\$ 10,688</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	ISAIP ACD Planning Grant	PLTW Alcoa	Alcoa/ Lincoln Lions	High Ability	Title I	Title I Delinquent	Work Ethic Program
Cash and investments - beginning	\$ 2,845	\$ -	\$ 1,676	\$ 4,212	\$ 770	\$ 9,954	\$ (64,675)	\$ (7,399)	\$ 19
Receipts:									
Local sources	-	-	-	-	3,000	-	-	-	5,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	28,238	4,665	-	25,000	-	54,997	-	-	-
Federal sources	-	-	-	-	-	-	1,303,876	103,879	-
Other	-	20,583	-	-	-	-	-	-	-
Total receipts	28,238	25,248	-	25,000	3,000	54,997	1,303,876	103,879	5,000
Disbursements:									
Current:									
Instruction	-	-	-	25,640	2,886	37,961	1,201,860	118,210	1,984
Support services	18,053	17,372	-	-	-	2,091	192,372	-	-
Noninstructional services	-	-	-	-	-	-	8,143	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	(16,385)	-	-
Total disbursements	18,053	17,372	-	25,640	2,886	40,052	1,385,990	118,210	1,984
Excess (deficiency) of receipts over disbursements	10,185	7,876	-	(640)	114	14,945	(82,114)	(14,331)	3,016
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,185	7,876	-	(640)	114	14,945	(82,114)	(14,331)	3,016
Cash and investments - ending	\$ 13,030	\$ 7,876	\$ 1,676	\$ 3,572	\$ 884	\$ 24,899	\$ (146,789)	\$ (21,730)	\$ 3,035

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Sp Ed Preschool	Medicaid Reimbursement - Federal	21st Century/ Handley	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ (167,755)	\$ (5,819)	\$ 53,204	\$ (6,894)	\$ (6,042)	\$ (3,221)	\$ (75,490)	\$ 248,242	\$ 24,824,895
Receipts:									
Local sources	-	-	-	-	-	-	-	-	28,940,071
Intermediate sources	-	-	-	-	-	-	-	-	162,645
State sources	-	-	-	-	-	-	-	-	38,860,463
Federal sources	2,394,239	68,609	70,637	65,646	154,621	50,370	339,939	-	6,482,575
Other	-	-	-	-	-	-	-	44,308,634	44,444,812
Total receipts	<u>2,394,239</u>	<u>68,609</u>	<u>70,637</u>	<u>65,646</u>	<u>154,621</u>	<u>50,370</u>	<u>339,939</u>	<u>44,308,634</u>	<u>118,890,566</u>
Disbursements:									
Current:									
Instruction	2,136,985	47,984	-	55,376	-	-	238,735	-	34,336,753
Support services	272,902	21,088	10,958	5,454	160,484	49,123	25,714	-	27,896,599
Noninstructional services	-	-	-	-	-	-	-	-	3,939,525
Facilities acquisition and construction	-	-	-	-	-	-	-	-	735,530
Debt services	-	-	-	-	-	-	-	-	7,728,250
Nonprogrammed charges	-	-	-	-	-	-	-	44,314,399	44,298,014
Total disbursements	<u>2,409,887</u>	<u>69,072</u>	<u>10,958</u>	<u>60,830</u>	<u>160,484</u>	<u>49,123</u>	<u>264,449</u>	<u>44,314,399</u>	<u>118,934,671</u>
Excess (deficiency) of receipts over disbursements	<u>(15,648)</u>	<u>(463)</u>	<u>59,679</u>	<u>4,816</u>	<u>(5,863)</u>	<u>1,247</u>	<u>75,490</u>	<u>(5,765)</u>	<u>(44,105)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	18,249
Total other financing sources (uses)	-	-	-	-	-	-	-	-	18,249
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(15,648)</u>	<u>(463)</u>	<u>59,679</u>	<u>4,816</u>	<u>(5,863)</u>	<u>1,247</u>	<u>75,490</u>	<u>(5,765)</u>	<u>(25,856)</u>
Cash and investments - ending	\$ <u>(183,403)</u>	\$ <u>(6,282)</u>	\$ <u>112,883</u>	\$ <u>(2,078)</u>	\$ <u>(11,905)</u>	\$ <u>(1,974)</u>	\$ <u>-</u>	\$ <u>242,477</u>	\$ <u>24,799,039</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Retirement/ Severance Bond	Construction 5 Projects	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 11,329,270	\$ (3,000,215)	\$ (944,633)	\$ 2,720,046	\$ (1,814,773)	\$ 1,500,333	\$ 1,434,315	\$ (157,154)	\$ 2,378,626	\$ 426,067
Receipts:										
Local sources	206,739	10,917,582	2,175,609	5,566,586	5,009,837	963,195	-	-	1,325,614	301,258
Intermediate sources	150,625	-	-	-	-	-	-	-	-	-
State sources	39,314,213	-	-	-	-	-	-	-	27,983	259,618
Federal sources	-	-	-	-	-	-	-	-	1,965,923	-
Other	699,557	-	-	10,874	10,747	-	-	157,154	7,325	-
Total receipts	40,371,134	10,917,582	2,175,609	5,577,460	5,020,584	963,195	-	157,154	3,326,845	560,876
Disbursements:										
Current:										
Instruction	26,198,495	-	-	-	-	-	-	-	-	-
Support services	11,976,971	-	-	2,898,598	2,817,620	532,038	533,850	-	1,659	555,780
Noninstructional services	532,991	-	-	-	-	-	-	-	3,055,340	-
Facilities acquisition and construction	-	-	-	359,751	-	-	-	-	-	-
Debt services	-	6,825,500	1,086,721	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	38,708,457	6,825,500	1,086,721	3,258,349	2,817,620	532,038	533,850	-	3,056,999	555,780
Excess (deficiency) of receipts over disbursements	1,662,677	4,092,082	1,088,888	2,319,111	2,202,964	431,157	(533,850)	157,154	269,846	5,096
Cash and investments - ending	\$ 12,991,947	\$ 1,091,867	\$ 144,255	\$ 5,039,157	\$ 388,191	\$ 1,931,490	\$ 900,465	\$ -	\$ 2,648,472	\$ 431,163

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Levy Excess	Sp Ed Co-Op	Sp Ed Co-Op Preschool	Sp Ed/ Louie's Angels	Child Care Program	Drug/ Suicide Prevention	Kline Estate KDG Support	CPR Training	Trans Employee Fund	Missoula Children's Theatre
Cash and investments - beginning	\$ -	\$ 2,875,412	\$ 362,283	\$ 4,011	\$ 239,303	\$ 5,000	\$ 1,317,614	\$ 535	\$ 114	\$ -
Receipts:										
Local sources	-	5,932,817	351,203	3,400	205,261	-	-	1,265	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	113,669	-	-	-	-	-	-	98	-
Total receipts	-	6,046,486	351,203	3,400	205,261	-	-	1,265	98	-
Disbursements:										
Current:										
Instruction	-	4,336,419	387,682	907	-	-	-	-	-	-
Support services	-	926,303	142,358	-	15	-	-	194	150	-
Noninstructional services	-	-	-	5,432	190,701	-	-	-	-	-
Facilities acquisition and construction	-	43,000	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,305,722	530,040	6,339	190,716	-	-	194	150	-
Excess (deficiency) of receipts over disbursements	-	740,764	(178,837)	(2,939)	14,545	-	-	1,071	(52)	-
Cash and investments - ending	\$ -	\$ 3,616,176	\$ 183,446	\$ 1,072	\$ 253,848	\$ 5,000	\$ 1,317,614	\$ 1,606	\$ 62	\$ -

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	PSI Teen Pregnancy	Hailmann Unity Fdn	LPHS Preschool	New Beginning Blazer Preschool	Handley/ Unity/ LFL	K.Hts. Unity Fdn	BMS/ Alcoa/ Science	Preschool Programs	Education Technology
Cash and investments - beginning	\$ 463	\$ 3,946	\$ -	\$ -	\$ 333	\$ 421	\$ 659	\$ (724)	\$ (1,154)
Receipts:									
Local sources	5,000	5,100	-	-	-	-	1,000	87,782	7,952
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	15,496
Total receipts	5,000	5,100	-	-	-	-	1,000	87,782	23,448
Disbursements:									
Current:									
Instruction	-	4,292	-	-	333	421	659	-	-
Support services	5,054	-	-	-	-	-	-	40	16,427
Noninstructional services	-	-	-	-	-	-	-	69,089	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,054	4,292	-	-	333	421	659	69,129	16,427
Excess (deficiency) of receipts over disbursements	(54)	808	-	-	(333)	(421)	341	18,653	7,021
Cash and investments - ending	\$ 409	\$ 4,754	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 17,929	\$ 5,867

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Section 125 TFR	Life Ins TFR	LTD Ins TFR	Work Comp Ins TFR	Medical/ Dental Ins TFR	Supplemental Life Ins TFR
Cash and investments - beginning	\$ 422	\$ -	\$ -	\$ 63,309	\$ 117,520	\$ 76,677	\$ 45,836	\$ 5,768,318	\$ 10,688
Receipts:									
Local sources	-	4,024	-	140,728	98,699	92,212	289,047	7,184,416	70,934
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	14,967	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	4,024	14,967	140,728	98,699	92,212	289,047	7,184,416	70,934
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	422	-	-	149,689	91,095	93,865	334,269	7,168,071	69,445
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	422	-	-	149,689	91,095	93,865	334,269	7,168,071	69,445
Excess (deficiency) of receipts over disbursements	(422)	4,024	14,967	(8,961)	7,604	(1,653)	(45,222)	16,345	1,489
Cash and investments - ending	\$ -	\$ 4,024	\$ 14,967	\$ 54,348	\$ 125,124	\$ 75,024	\$ 614	\$ 5,784,663	\$ 12,177

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	ISAIP ACD Planning Grant	PLTW Alcoa	Alcoa/ Lincoln Lions	High Ability	Title I	Title I Delinquent	Work Ethic Program
Cash and investments - beginning	\$ 13,030	\$ 7,876	\$ 1,676	\$ 3,572	\$ 884	\$ 24,899	\$ (146,789)	\$ (21,730)	\$ 3,035
Receipts:									
Local sources	-	-	-	-	3,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	27,680	4,488	-	-	-	57,689	-	-	-
Federal sources	-	-	-	-	-	-	1,298,775	113,950	-
Other	-	18,000	-	-	-	-	-	-	-
Total receipts	27,680	22,488	-	-	3,000	57,689	1,298,775	113,950	-
Disbursements:									
Current:									
Instruction	-	-	-	3,572	1,922	27,670	1,044,746	89,829	675
Support services	33,374	20,006	-	-	-	179	211,471	8,167	-
Noninstructional services	-	-	-	-	-	-	9,127	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	33,374	20,006	-	3,572	1,922	27,849	1,265,344	97,996	675
Excess (deficiency) of receipts over disbursements	(5,694)	2,482	-	(3,572)	1,078	29,840	33,431	15,954	(675)
Cash and investments - ending	\$ 7,336	\$ 10,358	\$ 1,676	\$ -	\$ 1,962	\$ 54,739	\$ (113,358)	\$ (5,776)	\$ 2,360

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Sp Ed Preschool	Medicaid Reimbursement - Federal	21st Century/ Handley	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ (183,403)	\$ (6,282)	\$ 112,883	\$ (2,078)	\$ (11,905)	\$ (1,974)	\$ -	\$ 242,477	\$ 24,799,039
Receipts:									
Local sources	-	-	-	-	-	-	-	-	40,950,260
Intermediate sources	-	-	-	-	-	-	-	-	150,625
State sources	-	-	-	-	-	-	-	-	39,706,638
Federal sources	2,750,320	96,207	(19,993)	2,078	235,974	28,913	-	-	6,472,147
Other	-	-	-	-	-	-	-	45,161,728	46,194,648
Total receipts	<u>2,750,320</u>	<u>96,207</u>	<u>(19,993)</u>	<u>2,078</u>	<u>235,974</u>	<u>28,913</u>	<u>-</u>	<u>45,161,728</u>	<u>133,474,318</u>
Disbursements:									
Current:									
Instruction	2,442,509	83,402	-	-	-	-	-	-	34,623,533
Support services	330,669	27,369	6,860	-	241,732	29,988	-	-	29,223,728
Noninstructional services	-	-	-	-	-	-	-	-	3,862,680
Facilities acquisition and construction	-	-	-	-	-	-	-	-	402,751
Debt services	-	-	-	-	-	-	-	-	7,912,221
Nonprogrammed charges	-	-	-	-	-	-	-	45,180,651	45,180,651
Total disbursements	<u>2,773,178</u>	<u>110,771</u>	<u>6,860</u>	<u>-</u>	<u>241,732</u>	<u>29,988</u>	<u>-</u>	<u>45,180,651</u>	<u>121,205,564</u>
Excess (deficiency) of receipts over disbursements	<u>(22,858)</u>	<u>(14,564)</u>	<u>(26,853)</u>	<u>2,078</u>	<u>(5,758)</u>	<u>(1,075)</u>	<u>-</u>	<u>(18,923)</u>	<u>12,268,754</u>
Cash and investments - ending	<u>\$ (206,261)</u>	<u>\$ (20,846)</u>	<u>\$ 86,030</u>	<u>\$ -</u>	<u>\$ (17,663)</u>	<u>\$ (3,049)</u>	<u>\$ -</u>	<u>\$ 223,554</u>	<u>\$ 37,067,793</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,857,127</u>	<u>\$ 366,950</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Pitney Bowes Corporation	Postage Machine Lease	\$ 13,786	10/22/2014	10/22/2019
Ricoh Corporation	Copier Lease	197,762	9/18/2012	7/18/2018
LaPorte Multi School Building Corporation	Five Projects	781,000	7/15/2013	1/15/2023
LaPorte Multi School Building Corporation	Handley QSCB Boston/Kesling HVAC Upgrades	1,118,000	7/15/2011	7/15/2018
LaPorte Multi School Building Corporation	Crichfield and Kingsford Heights Re-fi	<u>3,774,000</u>	7/15/2013	1/15/2016
Total of annual lease payments		<u>\$ 5,884,548</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Amended Taxable General Obligation Pension Bonds of 2004	<u>\$ 2,570,000</u>	<u>\$ 1,088,922</u>

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LAPORTE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2014

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.

	Ending Balance
Governmental activities:	
Land	\$ 300,455
Buildings	72,482,220
Improvements other than buildings	2,761,809
Machinery, equipment, and vehicles	8,810,814
Construction in progress	2,991,813
Books and other	5,482,714
 Total capital assets	 \$ 92,829,825

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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 FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE LAPORTE COMMUNITY SCHOOL
CORPORATION, LAPORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the LaPorte Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2014-002, 2014-003, 2014-004, and 2014-005. Our opinion on each major federal program is not modified with respect to these matters.

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

This report replaces the previously issued Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance dated January 29, 2015. The Schedule of Expenditures of Federal Awards has been revised to correct a misstatement. This correction changed the determination of major programs. The Special Education Cluster was also audited as a major program due to the change.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-004, and 2014-005 to be material weaknesses.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

January 29, 2015, except the Special Education Cluster, as to which the date is October 29, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster	Indiana Department of Education				
School Breakfast Program		10.553	FY 2012-13	\$ 395,039	\$ -
			FY 2013-14	-	388,866
National School Lunch Program		10.555	FY 2012-13	1,679,231	-
			FY 2013-14	-	1,677,082
Summer Food Service Program for Children		10.559	FY 2012-13	41,929	-
			FY 2013-14	-	52,734
Total for cluster				<u>2,116,199</u>	<u>2,118,682</u>
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2012-13	19,183	-
			FY 2013-14	-	58,180
Total for program				<u>19,183</u>	<u>58,180</u>
Total for federal grantor agency				<u>2,135,382</u>	<u>2,176,862</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	A58-3-13DL-1505	-	36,358
			99914-057-TA01	-	19,257
			14212-057-PN01	423,669	-
			14213-057-PN01	965,863	441,345
			14214-057-PN01	-	1,098,623
Total for program				<u>1,389,532</u>	<u>1,595,583</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173	45713-057-PN01	40,732	20,631
			45714-057-PN01	-	43,437
Total for program				<u>40,732</u>	<u>64,068</u>
Total for cluster				<u>1,430,264</u>	<u>1,659,651</u>

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

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
U.S. DEPARTMENT OF EDUCATION (continued)					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	ESEA 2011-2012	344,433	-
Title I, Part A			ESEA 2012-2013	1,041,559	143,701
			ESEA 2013-2014	-	1,121,642
Title I, Part D			ESEA 2011-2012	8,997	-
			ESEA 2012-2013	109,212	27,827
			ESEA 2013-2014	-	70,167
Total for cluster				<u>1,504,201</u>	<u>1,363,337</u>
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	FY 2011 - 2012	1,463	-
			A58-010DL-060	59,367	-
Total for program				<u>60,830</u>	<u>-</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365	FFY 2011	10,587	-
			FFY 2012	38,535	4,305
			FFY 2013	-	25,681
Total for program				<u>49,122</u>	<u>29,986</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FFY 2011	160,485	60,479
			FFY 2012	-	181,252
Total for program				<u>160,485</u>	<u>241,731</u>
Education Jobs Fund	Indiana Department of Education	84.410	FY 2011	264,449	-
Total for program				<u>264,449</u>	<u>-</u>
Total for federal grantor agency				<u>3,469,351</u>	<u>3,294,705</u>
Total federal awards expended				<u>\$ 5,604,733</u>	<u>\$ 5,471,567</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except the child nutrition related programs in which the expenditures are based on when the federal award is received on a meal 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 Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 204,622	\$ 210,939

Note 3. Special Education Cooperative

The School Corporation is a member of a Special Education Cooperative and serves as the fiscal agent for it. As a result, some activity for the Special Education Cluster that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFA's of the member school corporations as appropriate.

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster
	Title I, Part A Cluster
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$332,289

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2014-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation has not separated incompatible activities related to receipts and cash and investment balances. The Treasurer records the receipts to the ledger as well as prepares the monthly reconciliements of the financial record balance to the bank balance. Evidence that another person reviews the monthly reconciliements or the receipt transactions was not available. There is no segregation of duties, including no oversight, review, or approval process. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. Control activities should be in place to reduce the risks of errors in financial reporting.

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - CASH MANAGEMENT

Federal Agency: U.S. Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years: FY 2012-13, FY 2013-14
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the cash management compliance requirement.

The School Corporation did not have a monitoring procedure to limit its food service program net cash resources to an acceptable amount. The School Corporation is required to limit their food service program net cash resources to three months' average expenditures. The net cash balance of the food service program exceeded \$2,100,000 every month of the audit period; however, the three months' average expenditures were only \$853,799 and \$833,727 for 2012-2013 and 2013-2014, respectively.

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

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

7 CFR 210.9(b) states in part: ". . . each school food authority shall . . . (2) limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service . . ."

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management requirements of the programs.

FINDING 2014-003 - SUSPENSION AND DEBARMENT

Federal Agency: U.S. Department of Agriculture, U.S. Department of Education
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children; Title I Grants to Local Educational Agencies
CFDA Numbers: 10.553, 10.555, 10.559, 84.010
Federal Award Numbers and Years: FY 2012-13 and FY 2013-14; ESEA 2012-2013
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Suspension and Debarment compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

The U.S. Department of Agriculture and U.S. Department of Education required the School Corporation to verify that awarded contracts exceeding \$25,000 were not with suspended or debarred entities. The School Corporation failed to provide evidence that a search of the Excluded Parties List Systems through the System of Award Manager Center at www.sam.gov was conducted; that certification from the entity was collected, or that a clause or condition was added to the contract.

During the years 2012-2013 and 2013-2014, the School Corporation made food service purchases exceeding \$25,000 from six and seven vendors, respectively. During fiscal year 2012-2013, Title I funds exceeding \$25,000 were disbursed to two vendors. A search of the System of Award Manager Center website resulted in no active exclusions for any of these vendors.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program.

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

7 CFR 3016.35 and 34 CFR 80.35 Subawards to debarred and suspended parties states:

"Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

FINDING 2014-004 - ALLOWABLE COSTS

Federal Agency: U.S. Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years: ESEA 2011-2012, ESEA 2012-2013, ESEA 2013-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Allowable Costs compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

The School Corporation did not have a system in place to ensure compliance with the Circular A-87 regulations for time and effort reporting. None of the semiannual certification activity reports for employees working on a single cost objective for the fiscal year 2012-2013 were available for audit. A test of the 2013-2014 employees paid from Title I funds revealed that 13 of 96 employees, or 14 percent, tested for four pay periods were neither detailed on a semiannual certification activity report nor on a time and effort log.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties.

OMB Circular A-87, Attachment B, Section 8(h), Compensation for personal services, states in part:

"Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation. . . .

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

- (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
- (a) More than one Federal award,
 - (b) A Federal award and a non Federal award,
 - (c) An indirect cost activity and a direct cost activity,
 - (d) Two or more indirect activities which are allocated using different allocation bases,
or
 - (e) An unallowable activity and a direct or indirect cost activity."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish policies and procedures to ensure compliance and comply with Allowable Costs requirements of the program.

FINDING 2014-005 - EQUIPMENT MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years: ESEA 2011-2012, ESEA 2012-2013, ESEA 2013-14
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Equipment Management compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

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

The Title I Office purchased technology equipment that was listed on the Information Technology Director's inventory as Title I equipment; however, the Grant Coordinator's Title I equipment inventory failed to detail the same inventory. Procedures have not been established to ensure that the Title I equipment inventory agreed to the Information Technology inventory. In addition, the School Corporation did not perform a periodic physical inventory of equipment.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

34 CFR 80.32(d) states in part:

"Management Requirements. Procedures for managing equipment (including replacement equipment) whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the costs of the property, the location, and condition of the property, and any ultimate disposition data including the date of disposition and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Equipment Management requirements of the program.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Steven R. Manering, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Chief Financial Officer

Board of School Trustees

Mrs. Shannon Hannon, President
Mr. Mitch Feikes, Vice President
Mrs. Marie Gilliland, Secretary
Mrs. Rhonda Spence, Member
Mr. Mark Kosior, Member
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Mrs. Shari Ott-Large, Member

**CORRECTIVE ACTION PLAN
For LaPorte Community School Corporation**

FINDING 2014 – 001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person Responsible for Corrective Action: M. Greg Hunt
Title of Contact Person: Chief Financial Officer
Contact Phone Number: (219) 362-7056

Description of Corrective Action Plan:

Since 2009, the Business Department has had procedures in place for maintaining internal controls to ensure segregation of duties, reviews and approval processes.

The Treasurer balances the monthly bank statements. Our Deputy Treasurer completes the monthly Treasurer's Report. This report must balance with the RDS Month End Reports, the Bank Statements, and the Treasurer's Cash Sheet. The Treasurer's Report is reviewed by the Treasurer, CFO and the School Board of Trustees. In December 2014, SBOA Auditor, Bruce Snyder reviewed the November 2014 Bank Statements. The CFO's initials and date was in place on each Bank Statement at that time.

The textbook, food service, and child care deposits are taken to the bank by each school and/or department. The verification of these deposits is forwarded to the Treasurer for receipting. The back-up for these deposits are necessary for balancing the monthly bank statements by the Treasurer. The majority of money that is received for the corporation is via EFT's.

Effective January 2015, we are implementing signatures from the Treasurer and CFO on the Treasurer's Report to verify the accuracy.



(Signature)

Chief Financial Officer (CFO)
(Title)

January 27, 2015
(Date)



Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Steven R. Manering, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Chief Financial Officer

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Mrs. Shari Ott-Large, Member

**CORRECTIVE ACTION PLAN
For LaPorte Community School Corporation**

FINDING 2014 – 002 – CASH MANAGEMENT

Contact Person Responsible for Corrective Action: M. Greg Hunt
Title of Contact Person: Chief Financial Officer
Contact Phone Number: (219) 362-7056

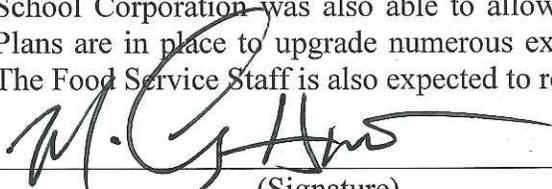
Description of Corrective Action Plan:

The Food Service Department has established procedures for dual controls whereby the secretary and the Food Service Director both review and sign the Monthly Reimbursement Sheet and the Summary Sheet requesting Reimbursement from the State. These balance to the accumulation of daily reports and deposits.

The daily collection of cash and checks at each school is counted and verified by each school's cashier. It must balance to their daily end reports. The money is placed in a locked bank bag and delivered to the Food Service Office by a LaPorte Community School Corporation Bonded employee. The Food Service Secretary recounts and verifies the money from each school and prepares one single deposit that is taken to the bank on a daily basis. The back-up for the deposits is sent to the corporation Treasurer to be receipted into the appropriate revenue classifications. The receipt for each deposit is returned to the Food Service Coordinator where upon she balances the corporation receipts to the bank receipt and deposit slips.

To eliminate excessive money handling, in 2007 the Food Service Department partnered with Meal Time Online. This allows parents to deposit lunch and breakfast money into each of their children's accounts directly. On a weekly basis Meal Time Online makes an ACH deposit into our bank. Each ACH deposit is receipted to the Food Service Fund by the corporation Treasurer, and the receipt forwarded to the Food Service Coordinator.

Because our Food Service Fund Balance exceeded the three month acceptable amount, the Food Service Director applied for and received a waiver from the State. (Copies are attached). The LaPorte Community School Corporation was also able to allow free lunch to "reduced" students. (See attached Board Agenda). Plans are in place to upgrade numerous expensive appliances and equipment in several schools this summer. The Food Service Staff is also expected to receive a 3% salary increase.



(Signature)

Chief Financial Officer (CFO)
(Title)

January 27, 2015
(Date)

1921 'A' Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-9347

Judy Keim - RE: PLE Requirement

From: "Christina Herzog" <cherzog@doe.in.gov>
To: "Judy Keim" <jkeim@lpesc.k12.in.us>
Date: 5/10/2013 11:07 AM
Subject: RE: PLE Requirement

Hi Judy,

Upon reviewing your 2012 Annual Financial Report, I see that you currently have a fund balance that exceeds the allowed 3 months of operating expenses and also see that you have been \$0.06 certified showing that you are meeting the meal pattern requirements. Therefore you are approved to have an exemption for the Paid Lunch Equity for the 2013-14 school year.

Please keep in mind that this exemption is ONLY for the 2013-14 school year. The paid lunch equity requirement will be re-evaluated each year and the exemption may not be applicable for other school years. If the waiver is available for future years you will need to reapply. Also keep in mind Federal Regulations require schools to have no more than 3 months of operating expense in their non-profit school foodservice account. Since you currently exceed this amount, you must work to reduce this balance in order to be in compliance with the regulations. Continued non-compliance with the regulations can result in corrective action from the state agency.

If you have any other questions, please feel free to contact me.

Thank you,

Tina

Tina Herzog

Claims and Reporting Specialist

Indiana Department of Education

School & Community Nutrition

115 W Washington St

South Tower, Suite 600

file:///C:/Documents and Settings/JKeim/Local Settings/Temp/XPgrpwise/518CD4FC/DomainPO1... 5/10/2013

Judy Keim - Paid Lunch Equity (PLE) Waiver SY 2014-15

From: "Christina Herzog" <cherzog@doe.in.gov>
To: <jkeim@lpesc.k12.in.us>
Date: 5/13/2014 2:29 PM
Subject: Paid Lunch Equity (PLE) Waiver SY 2014-15

Dear Judith Keim,

We have reviewed the request for a waiver of the Paid Lunch Equity (PLE) requirement for SY 2014-15 for LaPorte Community School Corp.. Based on the information provided and further review of your School Nutrition Programs we have granted approval of your waiver. Please remember this waiver is only for the 2014-15 school year and will have to be re-evaluated in future years if the waiver is available.

Keep in mind part of the waiver approval was based on the fact that you have a high balance in your food service account and Federal regulations require you to keep your food service account balance lower than an average 3 months of expenses. We expect this waiver will assist you in utilizing some of the funds in your account in order to bring you in compliance with the Federal regulations. You should also be seeking other opportunities to enhance your program using these excess funds, including but not limited to:

- Increasing fruit and vegetable offerings
- Improving food quality - higher quality meats or main dish items, less processed items, expanded food choices, etc.
- Food service equipment maintenance/replacement
- Encouraging staff participation in the Indiana School Nutrition Association and professional development opportunities
- Hiring additional staff to help meet new meal pattern and Federal requirements

If you have questions about ways to use your food service account funds to improve your program, please contact your IDOE Field Specialist.

Sincerely,

Julie Sutton, Director
School and Community Nutrition Programs
Indiana Department of Education
115 W. Washington ST.
South Tower, Suite 600
Indianapolis, IN 46204
jsutton@doe.in.gov
(317) 232-0845 phone
(317) 232-0855 fax





Mr. Michael Pettibone, Interim Superintendent
Mr. Mark D. Francesconi, Assistant Superintendent
Mr. M. Greg Hunt, Chief Financial Officer

Board of School Trustees
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Mrs. Shannon Hannon, Vice President
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Mr. Mark Kosior, Member
Mrs. Marie Gilliland, Member

BOARD AGENDA ACTION ITEM

(June 9, 2014)

Agenda Action Item: Approval of the Elimination of Reduced Lunches with the Replacement of Free

Background Information/Definition of Problem or Need:

Our operating balance for our food service is higher than the three month operating balance limit which means we had to apply for a waiver to keep our prices the same. This waiver was accepted but one of the conditions is that we have to lower the operating balance. One way in which to do that is to move our "reduced" lunch rate to "free". Throughout our elementary schools we have students on "reduced" lunches. Currently those students are paying a portion of the total amount for lunch. We have many students that are barely missing receiving "free" lunch and there is a burden to pay, which has caused some students to not be able to get a lunch or forced to bring a lunch which is sometimes not nutritional. To help with both situations, the USDA is allowing to eliminate reduced charges to free lunch with the corporation picking up the difference. There has also been quite a bit of talk that reduced prices could be eliminated in the future.

Recommendation:

To approve the elimination of reduced lunch price and replace with the a free charge.

Rationale:

This would allow us to reduce our operating balance for food service, help with those families that are struggling to pay the reduced prices, and to help prepare for the possibility of elimination of reduced charges in the future and the affects that it may have on food service.

Prepared By: M. Gregory Hunt, C.F.O.

1921 "A" Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-9347

"Learn Today to Excel Tomorrow"

Board of School Trustees

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Mr. Steven R. Manering, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Chief Financial Officer

**CORRECTIVE ACTION PLAN
For LaPorte Community School Corporation**

FINDING 2014 – 003 – SUSPENSION AND DEBARMENT

Contact Person Responsible for Corrective Action: M. Greg Hunt
Title of Contact Person: Chief Financial Officer
Contact Phone Number: (219) 362-7056

Description of Corrective Action Plan:

Effective immediately, the LaPorte Community School Corporation has enacted procedures prior to Federal Fund purchases, to verify that any potential vendors that have not been suspended or debarred by completing a search on www.sam.gov. A print screen of the search results will be attached to each potential order and/or bid.


(Signature)

Chief Financial Officer (CFO)
(Title)

January 27, 2015
(Date)



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Mr. Steven R. Manering, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Chief Financial Officer

**CORRECTIVE ACTION PLAN
For LaPorte Community School Corporation**

FINDING 2014 – 004 – ALLOWABLE COSTS

Contact Person Responsible for Corrective Action: M. Greg Hunt
Title of Contact Person: Chief Financial Officer
Contact Phone Number: (219) 362-7056

Description of Corrective Action Plan:

The 2012-2013 semiannual certification report (100R) did not accurately reflect our employees. Our software company (RDS) had the report pulling data based on hourly wages, contracts, etc. and not based on actual wages earned. RDS corrected their error in 2014 for the 2013 data so it would accurately pull actual data wages earned.

Our Grant Coordinator periodically checks Federal Grant employees to ensure that they are being paid from the proper account lines. On a monthly basis she reviews the grants and the employee's salary lines for accuracy. If she notices any discrepancies between her reports and the payroll reports she meets with our Payroll person to make any changes that are necessary. Beginning with the 2014-215 school year, the Grant Coordinator prints and reviews two different payroll reports every month for all Federal Grants and keeps those with the Semi-Annual Certification Forms. These reports are kept in a grant audit binder along with the certification forms and Time and Effort Logs.


(Signature)

Chief Financial Officer (CFO)
(Title)

January 27, 2015
(Date)



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Dr. Jane Larson, Assistant Superintendent Secondary Education
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Mrs. Shari Ott-Large, Member

**CORRECTIVE ACTION PLAN
For LaPorte Community School Corporation**

FINDING 2014 – 005 – EQUIPMENT MANAGEMENT

Contact Person Responsible for Corrective Action: M. Greg Hunt
Title of Contact Person: Chief Financial Officer
Contact Phone Number: (219) 362-7056

Description of Corrective Action Plan:

Most Federal Fund purchases of equipment or technology items are handled through our Technology Department and upon receipt, are labeled and logged onto their Inventory Sheet. However, the Crowley Juvenile Services Center is a separate delinquent institution that submits their Title I-D equipment or technology requests to our Grant Coordinator for processing. The orders are received and checked in at the Crowley Juvenile Service Center. Once received, they are responsible for labeling and inventorying their purchases as per Federal Grant Guidelines.

Effective immediately the Grant Coordinator will semi-annually request a detailed inventory list from our Technology Department and the Crowley Juvenile Services Center. The Grant Coordinator will check the inventory list(s) with the purchase orders to ensure new purchases have been included on the updated inventory list.

In 2010, Industrial Appraisal Company conducted an onsite inventory appraisal for all of our properties. Every subsequent year since then, we have sent them a list of newly acquired equipment purchases.



(Signature)
January 27, 2015

(Date)

Chief Financial Officer (CFO)
(Title)

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.