

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
MARTIN COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
11/20/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary M. Walton Sandra LaMar	07-01-12 to 05-31-14 06-01-14 to 06-30-16
Superintendent of Schools	Larry Weitkamp Dr. Joan L. Keller	07-01-12 to 06-30-14 07-01-14 to 06-30-16
President of the School Board	Timothy Bradley Scott Hall Nancy Summers	07-01-12 to 06-30-13 07-01-13 to 06-30-14 07-01-14 to 06-30-16



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

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Loogootee 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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.


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 October 6, 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

October 6, 2015



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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 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 LOOGOOTEE COMMUNITY
SCHOOL CORPORATION, MARTIN 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 Loogootee 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 October 6, 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 items 2014-001 and 2014-002 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Loogootee 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

October 6, 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.

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LOOGOOTE 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	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 1,781,204	\$ 7,236,375	\$ 6,354,844	\$ (735,000)	\$ 1,927,735	\$ 6,435,391	\$ 6,429,693	\$ (115,000)	\$ 1,818,433
Debt Service	158,494	285,957	241,236	-	203,215	228,570	241,236	-	190,549
Retirement/Severance Bond Debt Service	167,110	271,727	401,841	-	36,996	255,602	264,667	-	27,931
Capital Projects	217,018	753,876	619,033	(161,900)	189,961	636,307	769,837	-	56,431
School Transportation	183,237	628,179	381,038	(243,350)	187,028	604,492	430,304	-	361,216
Rainy Day	964,926	-	159,334	405,250	1,210,842	184,223	394,150	-	1,000,915
Post-Retirement/Severance Future Benefits	1,208,678	-	315,815	735,000	1,627,863	-	326,913	115,000	1,415,950
School Lunch	19,777	438,299	429,958	-	28,118	424,349	431,819	-	20,648
Textbook Rental	80,591	126,038	93,108	-	113,521	122,204	54,013	-	181,712
Educational License Plates	4,894	206	-	-	5,100	206	-	-	5,306
Resource Activity	2,825	-	-	-	2,825	-	-	-	2,825
Engineering Grant (Martin)	1,653	-	-	-	1,653	-	-	-	1,653
Phi Kappa Delta - Professional Development	6,459	-	1,758	-	4,701	-	339	-	4,362
MCCF Grant R. Bough	-	-	-	-	-	290	280	-	10
MCCF Grant T. Lengacher	-	-	-	-	-	300	300	-	-
MCCF Grant N. Wade	-	-	-	-	-	515	515	-	-
MCCF Grant S. Wagler	-	-	-	-	-	160	159	-	1
MCCF Grant H. Kidwell	-	-	-	-	-	230	229	-	1
Shopko Donation High School	-	-	-	-	-	667	-	-	667
Shopko Donation JH/Intermediate	-	-	-	-	-	667	-	-	667
Shopko Donation Elementary School	-	-	-	-	-	666	546	-	120
MCCF Grant Martin Printer	-	-	-	-	-	4,000	4,000	-	-
Artist in Residence	845	-	845	-	-	-	-	-	-
Peers Grant 2009-2010	601	600	1,175	-	26	600	592	-	34
Hoosier Uplands Scholarship	-	1,300	1,300	-	-	1,300	1,300	-	-
Student Achieve Grant	-	4,500	-	-	4,500	500	5,000	-	-
American Student Institute Grant	983	-	-	-	983	-	-	-	983
High Ability Grant	7,275	27,920	29,440	-	5,755	27,936	26,200	-	7,491
Non-English Speaking Programs P.L. 273-1999	257	-	-	-	257	-	-	-	257
Technology Connectivity Grant	774	6,231	6,266	-	739	5,357	7,445	-	(1,349)
Tobacco Prevention	500	-	-	-	500	-	-	-	500
Information Literacy Skills	98	-	-	-	98	-	-	-	98
Project Lead The Way	2,386	-	1,271	-	1,115	55	461	-	709
Senator David Ford Technology	-	700	700	-	-	-	-	-	-
Title I 2011-2012	392	8,381	8,773	-	-	-	-	-	-
Title I 2012-2013	-	108,922	117,951	-	(9,029)	23,762	14,733	-	-
Title I 2013-2014	-	-	-	-	-	83,906	94,355	-	(10,449)
Special Education Improvement Grant	-	26,762	-	-	26,762	31,160	57,922	-	-
Title II Part A 2011-12	(6,848)	24,520	17,672	-	-	-	-	-	-
Title II Part A 2012-13	-	22,513	26,580	-	(4,067)	13,739	9,672	-	-
Title II Part A 2013-14	-	-	-	-	-	30,390	33,907	-	(3,517)
Education Jobs	-	4,397	4,397	-	-	-	-	-	-
Clearing Accounts - Payroll	-	1,354,309	1,354,309	-	-	1,314,324	1,314,044	-	280
Totals	\$ 4,804,129	\$ 11,331,712	\$ 10,568,644	\$ -	\$ 5,567,197	\$ 10,431,868	\$ 10,914,631	\$ -	\$ 5,084,434

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

LOGOOTEER 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.

LOGOOTEET 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:

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

LOOGOOTEE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for 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.

LOGOOTEER 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.

LOGOOTEETEE 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. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 and 2014.

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.

LOGOOTEET 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	Rainy Day	Post- Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,781,204	\$ 158,494	\$ 167,110	\$ 217,018	\$ 183,237	\$ 964,926	\$ 1,208,678	\$ 19,777	\$ 80,591
Receipts:									
Local sources	62,682	285,957	271,727	741,444	628,179	-	-	227,743	97,866
Intermediate sources	96	-	-	-	-	-	-	-	-
State sources	6,221,571	-	-	-	-	-	-	5,864	27,722
Federal sources	950,269	-	-	-	-	-	-	204,198	-
Other	1,757	-	-	12,432	-	-	-	494	450
Total receipts	7,236,375	285,957	271,727	753,876	628,179	-	-	438,299	126,038
Disbursements:									
Current:									
Instruction	4,548,261	-	-	-	-	-	315,815	-	-
Support services	1,679,154	-	-	606,205	381,038	-	-	-	93,108
Noninstructional services	127,429	-	-	-	-	-	-	429,958	-
Facilities acquisition and construction	-	-	-	12,828	-	159,334	-	-	-
Debt services	-	241,236	401,841	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,354,844	241,236	401,841	619,033	381,038	159,334	315,815	429,958	93,108
Excess (deficiency) of receipts over disbursements	881,531	44,721	(130,114)	134,843	247,141	(159,334)	(315,815)	8,341	32,930
Other financing sources (uses):									
Transfers in	-	-	-	-	-	405,250	735,000	-	-
Transfers out	(735,000)	-	-	(161,900)	(243,350)	-	-	-	-
Total other financing sources (uses)	(735,000)	-	-	(161,900)	(243,350)	405,250	735,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	146,531	44,721	(130,114)	(27,057)	3,791	245,916	419,185	8,341	32,930
Cash and investments - ending	\$ 1,927,735	\$ 203,215	\$ 36,996	\$ 189,961	\$ 187,028	\$ 1,210,842	\$ 1,627,863	\$ 28,118	\$ 113,521

LOGOOTEET 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)

	Educational License Plates	Resource Activity	Engineering Grant (Martin)	Phi Kappa Delta - Professional Development	MCCF Grant R. Bough	MCCF Grant T. Lengacher	MCCF Grant N. Wade	MCCF Grant S. Wagler	MCCF Grant H. Kidwell
Cash and investments - beginning	\$ 4,894	\$ 2,825	\$ 1,653	\$ 6,459	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	206	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	206	-	-	-	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	1,758	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	1,758	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	206	-	-	(1,758)	-	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	206	-	-	(1,758)	-	-	-	-	-
Cash and investments - ending	\$ 5,100	\$ 2,825	\$ 1,653	\$ 4,701	\$ -	\$ -	\$ -	\$ -	\$ -

LOGOOTEETEE 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)

	Shopko Donation High School	Shopko Donation JH/Intermediate	Shopko Donation Elementary School	MCCF Grant Martin Printer	Artist in Residence	Peers Grant 2009-2010	Hoosier Uplands Scholarship	Student Achieve Grant	American Student Institute Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 845	\$ 601	\$ -	\$ -	\$ 983
Receipts:									
Local sources	-	-	-	-	-	600	1,300	4,500	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	600	1,300	4,500	-
Disbursements:									
Current:									
Instruction	-	-	-	-	845	1,175	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,300	-	-
Total disbursements	-	-	-	-	845	1,175	1,300	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(845)	(575)	-	4,500	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(845)	(575)	-	4,500	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ -	\$ 4,500	\$ 983

LOGOOTEET 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)

	High Ability Grant	Non-English Speaking Programs P.L. 273-1999	Technology Connectivity Grant	Tobacco Prevention	Information Literacy Skills	Project Lead The Way	Senator David Ford Technology	Title I 2011-2012	Title I 2012-2013
Cash and investments - beginning	\$ 7,275	\$ 257	\$ 774	\$ 500	\$ 98	\$ 2,386	\$ -	\$ 392	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	27,920	-	6,231	-	-	-	700	-	-
Federal sources	-	-	-	-	-	-	-	8,381	108,922
Other	-	-	-	-	-	-	-	-	-
Total receipts	27,920	-	6,231	-	-	-	700	8,381	108,922
Disbursements:									
Current:									
Instruction	29,440	-	-	-	-	1,271	-	8,773	117,951
Support services	-	-	6,266	-	-	-	700	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	29,440	-	6,266	-	-	1,271	700	8,773	117,951
Excess (deficiency) of receipts over disbursements	(1,520)	-	(35)	-	-	(1,271)	-	(392)	(9,029)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,520)	-	(35)	-	-	(1,271)	-	(392)	(9,029)
Cash and investments - ending	\$ 5,755	\$ 257	\$ 739	\$ 500	\$ 98	\$ 1,115	\$ -	\$ -	\$ (9,029)

LOGOOTEET 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)

	Title I 2013-2014	Special Education Improvement Grant	Title II Part A 2011-12	Title II Part A 2012-13	Title II Part A 2013-14	Education Jobs	Clearing Accounts - Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (6,848)	\$ -	\$ -	\$ -	\$ -	\$ 4,804,129
Receipts:								
Local sources	-	-	-	-	-	-	1,354,309	3,676,307
Intermediate sources	-	-	-	-	-	-	-	302
State sources	-	-	-	-	-	-	-	6,290,008
Federal sources	-	26,762	24,520	22,513	-	4,397	-	1,349,962
Other	-	-	-	-	-	-	-	15,133
Total receipts	-	26,762	24,520	22,513	-	4,397	1,354,309	11,331,712
Disbursements:								
Current:								
Instruction	-	-	17,672	26,580	-	4,397	-	5,072,180
Support services	-	-	-	-	-	-	1,354,309	4,122,538
Noninstructional services	-	-	-	-	-	-	-	557,387
Facilities acquisition and construction	-	-	-	-	-	-	-	172,162
Debt services	-	-	-	-	-	-	-	643,077
Nonprogrammed charges	-	-	-	-	-	-	-	1,300
Total disbursements	-	-	17,672	26,580	-	4,397	1,354,309	10,568,644
Excess (deficiency) of receipts over disbursements	-	26,762	6,848	(4,067)	-	-	-	763,068
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	1,140,250
Transfers out	-	-	-	-	-	-	-	(1,140,250)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	26,762	6,848	(4,067)	-	-	-	763,068
Cash and investments - ending	\$ -	\$ 26,762	\$ -	\$ (4,067)	\$ -	\$ -	\$ -	\$ 5,567,197

LOGOOTEET 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	Rainy Day	Post- Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,927,735	\$ 203,215	\$ 36,996	\$ 189,961	\$ 187,028	\$ 1,210,842	\$ 1,627,863	\$ 28,118	\$ 113,521
Receipts:									
Local sources	68,894	228,570	255,602	636,307	603,284	184,223	-	223,368	91,933
Intermediate sources	288	-	-	-	-	-	-	-	-
State sources	6,004,415	-	-	-	-	-	-	6,234	29,821
Federal sources	293,817	-	-	-	-	-	-	194,517	-
Other	67,977	-	-	-	1,208	-	-	230	450
Total receipts	6,435,391	228,570	255,602	636,307	604,492	184,223	-	424,349	122,204
Disbursements:									
Current:									
Instruction	4,268,200	-	-	-	-	-	326,913	-	-
Support services	2,038,461	-	-	759,628	430,304	-	-	-	54,013
Noninstructional services	123,032	-	-	-	-	-	-	431,819	-
Facilities acquisition and construction	-	-	-	10,209	-	394,150	-	-	-
Debt services	-	241,236	264,667	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,429,693	241,236	264,667	769,837	430,304	394,150	326,913	431,819	54,013
Excess (deficiency) of receipts over disbursements	5,698	(12,666)	(9,065)	(133,530)	174,188	(209,927)	(326,913)	(7,470)	68,191
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	115,000	-	-
Transfers out	(115,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(115,000)	-	-	-	-	-	115,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(109,302)	(12,666)	(9,065)	(133,530)	174,188	(209,927)	(211,913)	(7,470)	68,191
Cash and investments - ending	\$ 1,818,433	\$ 190,549	\$ 27,931	\$ 56,431	\$ 361,216	\$ 1,000,915	\$ 1,415,950	\$ 20,648	\$ 181,712

LOGOOTEET 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)

	Educational License Plates	Resource Activity	Engineering Grant (Martin)	Phi Kappa Delta - Professional Development	MCCF Grant R. Bough	MCCF Grant T. Lengacher	MCCF Grant N. Wade	MCCF Grant S. Wagler	MCCF Grant H. Kidwell
Cash and investments - beginning	\$ 5,100	\$ 2,825	\$ 1,653	\$ 4,701	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	290	300	515	160	230
Intermediate sources	206	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	206	-	-	-	290	300	515	160	230
Disbursements:									
Current:									
Instruction	-	-	-	-	280	300	515	159	229
Support services	-	-	-	339	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	339	280	300	515	159	229
Excess (deficiency) of receipts over disbursements	206	-	-	(339)	10	-	-	1	1
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	206	-	-	(339)	10	-	-	1	1
Cash and investments - ending	\$ 5,306	\$ 2,825	\$ 1,653	\$ 4,362	\$ 10	\$ -	\$ -	\$ 1	\$ 1

LOGOOTEET 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)

	Shopko Donation High School	Shopko Donation JH/Intermediate	Shopko Donation Elementary School	MCCF Grant Martin Printer	Artist in Residence	Peers Grant 2009-2010	Hoosier Uplands Scholarship	Student Achieve Grant	American Student Institute Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ -	\$ 4,500	\$ 983
Receipts:									
Local sources	667	667	666	4,000	-	600	1,300	500	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	667	667	666	4,000	-	600	1,300	500	-
Disbursements:									
Current:									
Instruction	-	-	546	4,000	-	592	-	5,000	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,300	-	-
Total disbursements	-	-	546	4,000	-	592	1,300	5,000	-
Excess (deficiency) of receipts over disbursements	667	667	120	-	-	8	-	(4,500)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	667	667	120	-	-	8	-	(4,500)	-
Cash and investments - ending	\$ 667	\$ 667	\$ 120	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ 983

LOGOOTEET 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)

	High Ability Grant	Non-English Speaking Programs P.L. 273-1999	Technology Connectivity Grant	Tobacco Prevention	Information Literacy Skills	Project Lead The Way	Senator David Ford Technology	Title I 2011-2012	Title I 2012-2013
Cash and investments - beginning	\$ 5,755	\$ 257	\$ 739	\$ 500	\$ 98	\$ 1,115	\$ -	\$ -	\$ (9,029)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	27,936	-	5,357	-	-	55	-	-	-
Federal sources	-	-	-	-	-	-	-	-	23,762
Other	-	-	-	-	-	-	-	-	-
Total receipts	27,936	-	5,357	-	-	55	-	-	23,762
Disbursements:									
Current:									
Instruction	26,200	-	-	-	-	461	-	-	14,733
Support services	-	-	7,445	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	26,200	-	7,445	-	-	461	-	-	14,733
Excess (deficiency) of receipts over disbursements	1,736	-	(2,088)	-	-	(406)	-	-	9,029
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,736	-	(2,088)	-	-	(406)	-	-	9,029
Cash and investments - ending	\$ 7,491	\$ 257	\$ (1,349)	\$ 500	\$ 98	\$ 709	\$ -	\$ -	\$ -

LOGOOTEET 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)

	Title I 2013-2014	Special Education Improvement Grant	Title II Part A 2011-12	Title II Part A 2012-13	Title II Part A 2013-14	Education Jobs	Clearing Accounts - Payroll	Totals
Cash and investments - beginning	\$ -	\$ 26,762	\$ -	\$ (4,067)	\$ -	\$ -	\$ -	\$ 5,567,197
Receipts:								
Local sources	-	-	-	-	-	-	1,314,324	3,616,400
Intermediate sources	-	-	-	-	-	-	-	494
State sources	-	-	-	-	-	-	-	6,073,818
Federal sources	83,906	31,160	-	13,739	30,390	-	-	671,291
Other	-	-	-	-	-	-	-	69,865
Total receipts	83,906	31,160	-	13,739	30,390	-	1,314,324	10,431,868
Disbursements:								
Current:								
Instruction	94,355	57,922	-	9,672	33,907	-	-	4,843,984
Support services	-	-	-	-	-	-	1,314,044	4,604,234
Noninstructional services	-	-	-	-	-	-	-	554,851
Facilities acquisition and construction	-	-	-	-	-	-	-	404,359
Debt services	-	-	-	-	-	-	-	505,903
Nonprogrammed charges	-	-	-	-	-	-	-	1,300
Total disbursements	94,355	57,922	-	9,672	33,907	-	1,314,044	10,914,631
Excess (deficiency) of receipts over disbursements	(10,449)	(26,762)	-	4,067	(3,517)	-	280	(482,763)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	115,000
Transfers out	-	-	-	-	-	-	-	(115,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,449)	(26,762)	-	4,067	(3,517)	-	280	(482,763)
Cash and investments - ending	\$ (10,449)	\$ -	\$ -	\$ -	\$ (3,517)	\$ -	\$ 280	\$ 5,084,434

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Retirement/Severance Bond	\$ 2,144,404	\$ 137,176
Notes and loans payable	Common School Loans	<u>2,361,621</u>	<u>120,618</u>
Total governmental activities		<u>4,506,025</u>	<u>257,794</u>
Totals		<u>\$ 4,506,025</u>	<u>\$ 257,794</u>

LOGOOTEER 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:	
Infrastructure	\$ 27,531
Buildings	8,397,987
Improvements other than buildings	496,899
Machinery, equipment, and vehicles	<u>599,155</u>
Total governmental activities	<u>9,521,572</u>
Total capital assets	<u><u>\$ 9,521,572</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

Report on Compliance for Each Major Federal Program

We have audited the Loogootee 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. Except as discussed in the following paragraph, 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.

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2014-006 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), nor were we able to satisfy ourselves as to the School Corporation's compliance with those requirements by other auditing procedures. Consequently, we were unable to determine whether the School Corporation complied with this requirement applicable to the program.

Additionally, as described in items 2014-004, 2014-005, and 2014-007 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Eligibility, Reporting, and Special Tests and Provisions - Paid Lunch Equity that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance and the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2012 to June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2012 to June 30, 2014.

Other Matters

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

Report on Internal Control Over Compliance

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


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

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 item 2014-003 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.

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

October 6, 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.

LOGOOTEETEE 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
DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster	Indiana Department of Education				
School Breakfast Program		10.553			
FY12-13			FY12-13	\$ 37,532	\$ -
FY13-14			FY13-14	-	36,716
National School Lunch Program		10.555			
FY12-13			FY12-13	194,953	-
FY13-14			FY13-14	-	188,084
Total - Child Nutrition Cluster				232,485	224,800
Total for federal grantor agency				232,485	224,800
DEPARTMENT OF DEFENSE					
Department of Defense Impact Aid	Direct Grant	12.558			
FY12-13			FY12-13	18,947	-
FY13-14			FY13-14	-	16,826
Total for federal grantor agency				18,947	16,826
DEPARTMENT OF EDUCATION					
Impact Aid Cluster	Direct Grant	84.041			
Impact Aid			S041A-2008-1617	2,426	-
			S041A-2010-1617	212,817	-
			S041A-2011-1617	212,817	-
			S041A-2012-1617	212,817	-
			S041A-2013-1617	252,547	-
			S041A-2014-1617	-	252,547
			S041B-2007-1616	2,581	-
			S041B-2008-1616	1,595	-
			S041B-2009-1616	1,020	-
			S041B-2010-1616	2,045	-
			S041B-2011-1616	2,721	-
			S041B-2013-1616	27,936	-
			S041B-2014-1616	-	24,444
Total - Impact Aid Cluster				931,322	276,991
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			12-5525	8,381	-
			13-5525	108,921	24,162
			14-5525	-	83,506
Total - Title I, Part A Cluster				117,302	107,668

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

LOGOOTEETEE 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>DEPARTMENT OF EDUCATION (continued)</u>					
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027			
			FY12-13	26,762	-
			FY13-14	-	31,160
			14212-009-PN01	65,609	-
			14213-009-PN01	153,795	72,559
			14214-009-PN01	-	139,275
			99914-009-TA01	-	1,565
Total - for program				<u>246,166</u>	<u>244,559</u>
Special Education Preschool Grants	Indiana Department of Education	84.173			
			45713-009-PN01	10,328	-
			45714-009-PN01	-	10,660
Total - for program				<u>10,328</u>	<u>10,660</u>
Total - Special Education Cluster				<u>256,494</u>	<u>255,219</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			FY11-12	24,520	-
			FY12-13	22,513	13,739
			FY13-14	-	30,390
Total - for program				<u>47,033</u>	<u>44,129</u>
Education Jobs Fund	Indiana Department of Education	84.410	FY11-12	<u>4,397</u>	-
Total - for program				<u>4,397</u>	-
Total for federal grantor agency				<u>1,356,548</u>	<u>684,007</u>
Total federal awards expended				<u>\$ 1,607,980</u>	<u>\$ 925,633</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards 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 when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with 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.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2013</u>	<u>2014</u>
National School Lunch Program	10.555	<u>\$ 28,287</u>	<u>\$ 30,283</u>

LOGOOTEETEE 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?	yes

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 for Impact Aid Cluster and Special Education Cluster and; Qualified for Child Nutrition Cluster
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:

Name of Federal Program or Cluster

Child Nutrition Cluster
Impact Aid Cluster
Special Education Cluster

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

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

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal controls in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: (1) nine federal grants were not reported; (2) pass-through entities were incorrect for six grants; (3) program names were incorrect for four grants; and (4) the SEFA was underreported by \$539,942.

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

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

FINDING 2014-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Lack of Segregation of Duties: The School Corporation has not separated incompatible activities related to Cash and Investments, Receipts, and Disbursements for Payroll. 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.

Cash and Investments and Receipts: The Treasurer prepares receipts, prepares bank deposits and delivers them to the bank, posts receipts to the ledger, receives the bank statement, and reconciles the bank statement to the ledger. The Treasurer does all the investing for the School Corporation.

Disbursements for Payroll: The Deputy Treasurer is responsible for all activities involved in processing payroll: collecting time sheets, substitution pay sheets, and certified staff leave sheets; posting payroll into the system; and releasing payroll from the bank.

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 2014-003 - INTERNAL CONTROLS OVER THE CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14

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 several of the compliance requirements that have a direct and material effect on the programs. This includes the compliance requirement for Cash Management, Eligibility, Program Income, Reporting, and Special Tests and Provisions related to: Verification of Free and Reduced Price Applications (NSLP), School Food Accounts, and Paid Lunch Equity.

Cash Management

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the School Lunch fund monthly cash balances were maintained in compliance with the Cash Management requirements.

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

Eligibility

Application information is entered into Skyward (food service software) which automatically makes the determination dependent on the information entered into the system. There was no segregation of duties, such as an oversight, review, or approval process to ensure information is correctly entered into the system.

Program Income

There was not adequate segregation of duties, such as an oversight, review, or approval process to ensure that program income was properly receipted and recorded into School Lunch fund.

Reporting

The Food Service Director prepares the Monthly Sponsor Claim for Reimbursement, Annual Financial Report and Verification Summary and submits them via the Indiana Department of Education's website. There was no segregation of duties, such as an oversight, review, or approval process.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation has not designed or implemented adequate policies and procedures to ensure that verification of free and reduced price applications are completed as required. There was no segregation of duties, such as an oversight, review, or approval process.

Special Tests and Provisions - School Food Accounts

The School Corporation has not designed or implemented adequate policies and procedures to ensure that all receipts and disbursements are accurately recorded and reported in the School Lunch fund.

Special Tests and Provisions - Paid Lunch Equity

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with the paid lunch equity requirement.

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.

LOGOOTEETEE 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 of 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, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

FINDING 2014-004 - ELIGIBILITY

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

The School Corporation had deficiencies within its documentation for the determination of the eligibility status of their approved free and reduced price applications. We could not verify the hardcopy applications to the information entered into Skyward; therefore, we examined 71 hardcopy applications and identified the following problems:

1. On seven applications the household members listed did not agree to the total household size used in the eligibility determination.
2. Two applications that were approved free did not have a case number listed and the household/income section of the application was blank. Audit testing could not verify that the correct determination was made.
3. One application was not signed by an adult member of the family, which is not considered complete and should have received paid meals.
4. Four applications indicated zero income and the applications did not identify the applicants as being on any type of assistance program. There was no indication that any further review of eligibility was made.
5. The eligibility determination on four applications was not completed. However, all the students listed on these four applications received free meals.
6. The eligibility determination on nine applications was signed by the determining official; however, the application did not indicate whether the person was approved for free meals, reduced price meals, or denied.

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

7. The eligibility determination on one application indicated that a person was eligible for reduced price meals but received free meals. Another application indicated that a person was denied assistance but received reduced price meals. Documentation was not available to determine if this was due to changes made during the school year or if it was due to an error.
8. One application had a case number provided; however, there was no supporting documentation that indicated validation of an active case number.

The School Corporation did not carry-over the eligibility status from the preceding year for the first 30 operating days or until a new eligibility determination was made. Instead, all students were reset in the School Corporation lunch system to paid prior to the start of the new school year.

7 CFR 245.6(a)(6) states:

"Household members and social security numbers. The application must require applicants to provide the names of all household members. In addition, the last four digits of the social security number of the adult household member who signs the application must be provided. If the adult member signing the application does not possess a social security number, the household must so indicate. However, if application is being made for a child(ren) who is a member of a household receiving assistance under the SNAP, or is in a FDPIR or TANF household, the application shall enable the household to provide the appropriate SNAP or TANF case number or FDPIR case number or other FDPIR identifier in lieu of names of all household members, household income information and social security number."

7 CFR 245.6(a)(7) states in part: *"Adult member's signature.* The application must be signed by an adult member of the family . . ."

7 CFR 245.6a(c)(7) states in part:

"Verification for cause. In addition to the required verification sample, local educational agencies must verify any questionable application and should, on a case-by-case basis, verify any application for cause such as an application on which a household reports zero income or when the local educational agency is aware of additional income or persons in the household. . . ."

"Approved Applications. LEA officials must: Indicate approval date; Indicate the level of benefit for which each child is approved; and Sign or initial the application.

Denied Applications. LEA officials must: Indicate the denial date; Indicate the reason for denial; Indicate the date the denial notice was sent; and Sign or initial the application.

Changes During the School Year. If any change is made after the initial approval for the current school year, such as a transfer to another school within the LEA or if the household voluntarily requests that a change be made, the LEA officials must: Note the change; Write the date of the change on the application; and Implement the change by updating rosters or other methods used at point of sale, if necessary." (Eligibility Manual for School Meals, Page 37)

"The determining official must assure that the Assistance Programs case number or other identifier consistent with the identifiers used in that program in that State are valid. LEA officials need to be familiar with the format of valid case numbers/other identifiers. LEAs should validate case number(s)/other identifier(s) listed on the application by reviewing direct certification data or contacting local assistance program officials.

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

Validation means a confirmation of an active case number. Applications with invalid case numbers or FDPIR identifiers must not be approved. However, for any child or household member with a valid case number/other identifier, the LEA must approve all children in the household as eligible for free benefits." (Eligibility Manual for School Meals, Page 33)

7 CFR 245.6(c)(2) states:

"Use of prior year's eligibility status. Prior to the processing of applications or the completion of direct certification procedures for the current school year, children from households with approved applications or documentation of direct certification on file from the preceding year shall be offered reimbursable free and reduced price meals or free milk, as appropriate. The local educational agency must extend eligibility to newly enrolled children when other children in their household (as defined in § 245.2) were approved for benefits the previous year. However, applications and documentation of direct certification from the preceding year shall be used only to determine eligibility for the first 30 operating days following the first operating day at the beginning of the school year, or until a new eligibility determination is made in the current school year, whichever comes first."

Noncompliance of 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 officials properly complete and document the eligibility determination of student eligibility status and maintain adequate, auditable files.

FINDING 2014-005 - REPORTING

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

The Annual Financial Reports filed by the School Corporation for the fiscal years ending June 30, 2013 and 2014, contained reporting errors and were not supported by the School Corporation's financial records.

7 CFR 3016.20(b) states in part:

"The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant. . . .
- (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc."

Noncompliance of the Reporting requirement to the programs could result in the loss of federal funds to the School Corporation.

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

We recommended that the School Corporation officials ensure that all required reports are prepared on an accurate basis, in accordance with the Reporting requirements, and that reports are supported by source documentation.

***FINDING 2014-006 - SPECIAL TESTS AND PROVISIONS - VERIFICATION
OF FREE AND REDUCED PRICE APPLICATIONS (NSLP)***

Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14
Pass-Through Entity: Indiana Department of Education

The Verification Summary for the 2012-2013 Program Year indicated that four applications were verified and the Verification Summary for the 2013-2014 Program Year indicated that six applications were verified by the School Corporation. However, documentation supporting the review process was not available to determine what actions had been taken and which applications were actually verified. Adequate information was not available to verify the number of applications that were on hand in order to determine if the correct number of applications was selected for verification.

7 CFR 245.6a(c) states in part: "Verification requirement - (1) *General*. The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced price meal benefits for that school year. . . ."

7 CFR 210.15(b) states in part:

"Recordkeeping summary. In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

- (4) Currently approved and denied applications for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title . . ."

Noncompliance of 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 officials maintain records to document compliance related to Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

FINDING 2014-007 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY

Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14
Pass-Through Entity: Indiana Department of Education

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

The Indiana Department of Education performed the required weighted average lunch price calculation on behalf of the School Corporation for 2012-2013 and 2013-2014 and the results were emailed to the Food Service Director. The weighted average lunch meal price required to be charged for the 2012-2013 school year to comply with the Paid Lunch Equity requirement was \$2.29 and the actual weighted average amount charged was only \$2.14. The weighted average lunch meal price required to be charged for the 2013-2014 school year to comply with the Paid Lunch Equity requirement was \$2.40 and the actual weighted average amount charged was only \$2.12.

The School Corporation lunch prices were not increased in the 2012-2013 or 2013-2014 school years as required to meet the Paid Lunch Equity requirement. The School Corporation is required to adjust School Corporation lunch prices to the weighted average lunch meal price to a maximum increase of ten cents from the prior year.

7 CFR 210.14(e) states in part:

"Pricing paid lunches. For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph. . . .

(3) *Average lunch price is lower than the reimbursement difference.* When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:

(i) 2 percent; and

(ii) The percentage change in the Consumer Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the Federal Register announcing the national average payment rates, from the prior year.

(4) *Price Adjustments.*

(i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents.

(ii) *Rounding of paid lunch prices.* Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents. . . ."

Noncompliance of 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 officials comply with the Special Tests and Provisions - Paid Lunch Equity compliance requirements. Calculations of paid lunch equity should be performed yearly and compared to actual lunch prices charged with the lunch price adjusted accordingly.

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AUDITEE PREPARED DOCUMENT

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

Loogootee Community School Corporation

P.O. Box 282
Loogootee, IN 47553

BOARD OF SCHOOL TRUSTEES
MR. TIM BRADLEY
MR. BRENT COURTER
MR. SCOTT HALL
MRS. NANCY SUMMERS
MR. CHAD WADE

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

SUPERINTENDENT OF SCHOOLS
DR. JOAN KELLER
CORPORATION TREASURER
MRS. SANDRA LaMAR
ADM. SEC./DEP. TREASURER
MRS. BRENDA MATHIES

CORRECTIVE ACTION PLAN

FINDING 2014-001

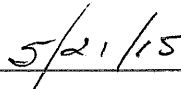
Contact Person Responsible for Corrective Action: Sandra LaMar, Treasurer
Contact Phone Number: (812) 295-2595

Description of Corrective Action Plan:

At the time of reporting the Federal Awards in 2014, the Treasurer was new and not familiar with the reporting on Gateway. The Treasurer will be keeping a folder of all Federal Awards and try to become more familiar with the process of reporting and terminology.

Anticipated Completion Date: Immediately


Sandra LaMar, Treasurer


Date

Loogootee Community School Corporation

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Loogootee, IN 47553

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CORPORATION TREASURER
MRS. SANDRA LaMAR
ADM. SEC./DEP. TREASURER
MRS. BRENDA MATHIES

CORRECTIVE ACTION PLAN

FINDING 2014-002

Contact Person Responsible for Corrective Action: Sandra L. LaMar, Treasurer
Contact Phone Number: (812) 295-2595

Description of Corrective Action Plan:

Treasurer, Sandra LaMar and Deputy Treasurer, Brenda Mathies will work together to divide responsibilities of receipting in money, investing for the corporation and disbursing of payroll. This will help with our internal controls.

Anticipated Completion Date: Immediately

Sandra LaMar
Sandra LaMar, Treasurer

5/27/15
Date

Brenda Mathies
Brenda Mathies, Deputy Treasurer

5/27/15
Date

Loogootee Community School Corporation

P.O. Box 282
Loogootee, IN 47553

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CORPORATION TREASURER
MRS. SANDRA LaMAR
ADM. SEC./DEP. TREASURER
MRS. BRENDA MATHIES

CORRECTIVE ACTION PLAN

FINDING 2014-003

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director
Contact Phone Number: (812) 295-2595 Ext. 488

Description of Corrective Action Plan:

We will correct our internal controls related to the financial transactions and reporting for the Child Nutrition Cluster Programs. Food Service Director, Patti Sander will work with the Deputy Treasurer, Brenda Mathies to insure that internal review and checks are in place.

FINDING 2014-004

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director
Contact Phone Number: (812) 295-2595 Ext. 488

Description of Corrective Action Plan:

Patti Sander, Food Service Director, will receive information from the applicants and help them with the application process. Deputy Treasurer, Brenda Mathies, in the Central Office has been assigned to review all applications and determine if more information is needed.

FINDING 2014-005

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director
Contact Phone Number: (812) 295-2595 Ext. 488

Description of Corrective Action Plan:

Patti Sander, Food Service Director, will implement better reporting procedures with the help of the Central Office.

FINDING 2014-006

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director
Contact Phone Number: (812) 295-2595 Ext. 488

Description of Corrective Action Plan:

The Food Service Director and Deputy Treasurer will work together to review and verify applications that were selected for verification. The record keeping process will be reviewed.

FINDING 2014-007

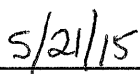
Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director
Contact Phone Number: (812) 295-2595 Ext. 488

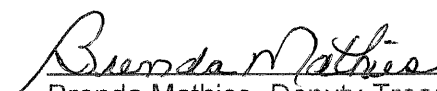
Description of Corrective Action Plan:

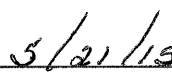
Superintendent, Dr. Keller and Patti Sander, Food Service Director will adjust the lunch prices as per the Paid Lunch Equity requirement.

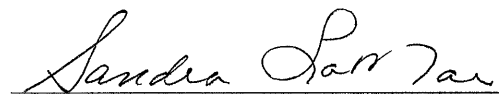
Anticipated Completion Date: July 1, 2015 (For the 2015-2016 School Year)

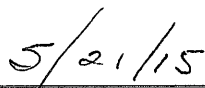

Patti Sander, Food Service Director


Date


Brenda Mathies, Deputy Treasurer


Date


Sandra LaMar, Treasurer


Date

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/>.