

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

COMPLIANCE EXAMINATION REPORT

OF

LOGANSPORT COMMUNITY SCHOOL CORPORATION

CASS COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/26/2024



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

March 26, 2024

To: The Officials of Logansport Community School Corporation
Logansport Community School Corporation
Cass County, Indiana

This report is supplemental to the audit report of Logansport Community School Corporation (School Corporation), for the period July 1, 2021 to June 30, 2023. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Logansport Community School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

LOGANSPOUR COMMUNITY SCHOOL CORPORATION

Cass County, Indiana
July 1, 2021 to June 30, 2023

CONTENTS

| | |
|---|---|
| SCHEDULE OF OFFICIALS | 1 |
| INDEPENDENT ACCOUNTANT'S REPORT | 2 |
| SCHEDULE OF EXAMINATION FINDINGS AND RESULTS: | |
| 2023-001: OVERDRAWN CASH BALANCES | 3 |
| 2023-002: PREPAID SCHOOL LUNCH ACCOUNTS | 3 |
| EXIT CONFERENCE | 4 |

LOGANSPOUR COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS
July 1, 2021 to June 30, 2023

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-------------------------------|------------------------------|--|
| Treasurer | Gregory E. Korreckt | 07-01-21 to 06-30-23 |
| Superintendent of Schools | Michele M. Starkey | 07-01-21 to 06-30-23 |
| President of the School Board | Bill J. Cuppy Mike McCord | 07-01-21 to 06-30-22 07-01-22 to 06-30-23 |



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Logansport Community School Corporation

We have examined the Logansport Community School Corporation ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2021 to June 30, 2023. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2021 to June 30, 2023, as described in items 2023-001 and 2023-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2021 to June 30, 2023.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
March 13, 2024

LOGANSPORT COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
 July 1, 2021 to June 30, 2023

FINDING 2023-001: OVERDRAWN CASH BALANCES

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations states in part, “The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit.”

The same finding appeared in the prior year report B60473.

Condition: During testing of fund balances, we noted the following funds, which are not grant related funds, with a cash balance below zero as of June 30, 2022 and June 30, 2023:

| Fund | Amount Overdrawn June 30, 2022 | Amount Overdrawn June 30, 2023 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| New School Construction | \$ 167,751 | \$ 33,551 |
| Curricular Materials Rental | 635,384 | - |
| Information Systems Security | 141,801 | - |
| Adult Education 2021-2022 | 40,052 | - |
| McHale Pac 2022 | 15,056 | - |
| Public Employee Retirement | - | 35 |
| Wage Garnishments | - | 313 |

The New School Construction fund is set up as a reimbursement fund. The funds are spent on project costs and then the draw down of the funds is requested. The negative balance is due to timing.

FINDING 2023-002: PREPAID SCHOOL MEAL ACCOUNTS

Criteria: Prepaid school meals should not be considered income to the child nutrition program until students are charged a meal to their account. When a student deposits money into their school account the balance of their individual account it should not be included in Fund 800 School Lunch. The school should have a clearing account with the fund number 8400 Prepaid School Lunch Accounts, which is included in Chapter 5 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. The student deposits for school meals into their account should be recorded to fund 8400 using receipt account 1630 Special Functions. Once the student is charged meals, disburse that amount using expenditure account 31900 Other Food Services from fund 8400 and receipt this into fund 800 using the Food and Serviced receipt accounts 1611-1623 at the time established in a written policy to ensure accurate monthly reporting. The receipt at this point is considered program income and should be reported as such.

It is also a requirement that the balance of fund 8400 to be reconciled on a monthly basis to the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019).

Condition: A monthly reconciliation between Fund 8400, Prepaid Meals fund, and the detailed records by student was not presented for the audit. At June 30, 2022, the detailed records showed an ending balance of \$24,409 and the funds ledger presented a balance of \$23,976. At June 30, 2023, the detailed records showed an ending balance of \$25,355 and the funds ledger presented a balance of \$24,010.

LOGANSPOUR COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE
July 1, 2021 to June 30, 2023

The contents of this report were discussed on March 13, 2024 with Gregory Korreckt, Treasurer, Michele Starkey, Superintendent of Schools, and Mike McCord, President of the School Board.



LOGANSPORT

COMMUNITY SCHOOL CORPORATION

2829 GEORGE STREET ♦ LOGANSPORT, INDIANA 46947 ♦ VOICE 574.722.2911 ♦ FAX 574.722.7634

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2023

BOARD OF

SCHOOL TRUSTEES

Michael J. McCord
President

Bill J. Cuppy
Vice-President

Milton G. Hess
Secretary

David M. McClure
Member

Matthew R. Meagher
Member

ADMINISTRATION

Michele M. Starkey
Superintendent

Gregory E. Korreckt
Controller/Treasurer

Brandi Rozzi
Curriculum Director

Christy Diehl
Secondary Curriculum Director

Lyndy Szmara
LSS Director

Tim Moss
Transportation Director

Jason Pfahl
Technology Director

MEMBER SCHOOLS

Columbia Elementary School
20 East Columbia Street

Fairview Elementary School
846 S. Cicott Street

Landis Elementary School
One Landis Lane

Logansport Intermediate
1600 Chase Road

Logansport Junior High School
2901 Usher Street

Logansport High School
One Berry Lane

Century Career Center
2500 Hopper Street

The Academy
410 W. Miami Street

LCSC Berry Preschool
1600 Chase Road

Website

www.lcsc.k12.in.us



FINDING 2023-001

Subject: Overdrawn Cash Balances

Condition: During testing of fund balances, we noted the following funds, which are not grant related funds, with a cash balance below zero as of June 30, 2022 and June 30, 2023:

| Fund | Amount Overdrawn June 30, 2022 | Amount Overdrawn June 30, 2023 |
|------------------------------|--------------------------------|--------------------------------|
| New School Construction | \$ 167,751 | \$ 33,551 |
| Curricular Materials Rental | 635,384 | - |
| Information Systems Security | 141,801 | - |
| Adult Education 2021-2022 | 40,052 | - |
| McHale Pac 2022 | 15,056 | - |
| Public Employee Retirement | - | 35 |
| Wage Garnishments | - | 313 |

Context: LCSC has a large free/reduced population base. Textbook reimbursement from the State has been consistently less than 100%.

The Information Systems Security Fund was set up in response to the technology data breach as a way to track expenses and insurance reimbursements until the matter was resolved.

The Adult Education 2021-22 Fund operates as a reimbursement fund w/Lafayette School Corporation. We received our final 2021-22 reimbursement on 7/26/2022 in the amount of \$44,532.22.

The Corporation operates the McHale Fund on a calendar basis.

Views of responsible officials and planned corrective action: Management agrees with the finding and will take the following actions: LCSC has and will continue to reduce both the number of funds with overdrawn balances and the amount overdrawn as illustrated in the "Condition" information listed above. LCSC was successful in eliminating the Curricular Materials Rental overdrawn balance and will continue to use available resources to maintain positive balances where appropriate for all funds.

The "Information Systems Security Fund" matter has been completed and the fund closed as noted 6/30/2023.

Responsible party and timeline for completion: Gregory E. Korreckt, Controller/Treasurer, is the person responsible for overseeing the corrective action plan. The corrective action plan was implemented during the prior audit, continued to be utilized for the current audit period and will be used for future audit periods.