

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

LAPORTE COMMUNITY SCHOOL CORPORATION
LAPORTE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
07/27/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-35
Schedule of Payables and Receivables	37
Schedule of Leases and Debt	38
Schedule of Capital Assets.....	39
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	42-44
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	46-47
Notes to Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49-62
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	64-68
Corrective Action Plan	69-75
Other Reports.....	76

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Patricia G. Baxter Jayne L. Grillo	01-01-14 to 05-27-16 05-28-16 to 12-31-17
Chief Financial Officer	M. Gregory Hunt	07-01-14 to 06-30-17
Superintendent of Schools	Michael Petibone (interim) Mark D. Francesconi	07-01-14 to 07-06-14 07-07-14 to 06-30-17
President of the School Board	Michael Kellems Shannon Hannon Mitch Feikes Mark Kosior	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the LaPorte Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

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 from 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 to 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2017, 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

June 7, 2017



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the LaPorte Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated June 7, 2017, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation'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 2016-001 and 2016-002 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 from 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 items 2016-001 and 2016-002.

LaPorte Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 7, 2017

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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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LAPORTE COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 12,991,947	\$ 40,882,229	\$ 39,596,069	\$ -	\$ 14,278,107	\$ 40,696,267	\$ 41,804,987	\$ -	\$ 13,169,387
Debt Service	1,091,867	6,867,341	6,729,777	30,519	1,259,950	6,735,407	5,954,093	-	2,041,264
Retirement/Severance Bond Debt Service	144,255	1,611,698	1,088,922	-	667,031	918,111	1,087,182	-	497,960
Capital Projects	5,039,157	3,465,056	3,918,458	-	4,585,755	3,635,365	5,789,574	-	2,431,546
School Transportation	388,191	2,665,413	2,761,316	-	292,288	2,812,316	2,676,879	-	427,725
School Bus Replacement	1,931,490	310,325	607,132	(1,000,000)	634,683	374,320	475,541	-	533,462
Rainy Day	-	-	-	1,000,000	1,000,000	83,591	-	-	1,083,591
Retirement/Severance Bond	900,465	-	59,411	-	841,054	-	40,012	-	801,042
KMS Construction	-	-	146,667	2,000,000	1,853,333	-	455,140	-	1,398,193
BMS Construction	-	-	146,328	2,000,000	1,853,672	-	281,234	-	1,572,438
Corporation Capital Improvements	-	-	-	-	-	-	127,590	2,000,000	1,872,410
School Lunch	2,648,472	3,481,340	3,245,514	-	2,884,298	3,397,564	3,723,315	-	2,558,547
Textbook Rental	431,163	574,205	1,409,321	-	(403,953)	597,800	898,123	-	(704,276)
Self-Insurance	-	-	-	-	-	2,189,747	3,397,123	5,000,000	3,792,624
Levy Excess	-	-	-	-	-	76,369	-	-	76,369
Sp Ed Co-Op	3,616,176	5,968,987	6,072,908	-	3,512,255	6,681,189	6,366,635	(13,625)	3,813,184
Sp Ed Co-Op Preschool	183,446	497,310	533,625	-	147,131	588,433	568,680	-	166,884
Sp Ed/Louie's Angels	1,072	5,650	5,024	-	1,698	6,707	550	-	7,855
Child Care Program	253,848	225,623	202,733	-	276,738	212,028	201,149	-	287,617
Alternative Education	-	11,491	1,911	-	9,580	14,075	12,279	-	11,376
Drug/Suicide Prevention	5,000	-	-	-	5,000	-	-	-	5,000
Instructional Support	-	6,000	6,000	-	-	-	-	-	-
Kline Estate KDG Support	1,317,614	-	-	-	1,317,614	-	-	(50,000)	1,267,614
CPR Training	1,606	220	-	-	1,826	-	-	-	1,826
Extra-Curricular Activities	62	110	99	-	73	105	-	-	178
PSI Teen Pregnancy	409	5,000	4,829	-	580	5,000	4,871	-	709
Hailmann Unity Fdtn	4,754	2,102	4,455	-	2,401	1,775	2,594	-	1,582
BMS/Alcoa/Science	1,000	-	150	-	850	-	600	-	250
Preschool Programs	17,929	65,573	70,852	-	12,650	37,177	51,831	50,000	47,996
Formative Assessment	-	-	-	-	-	24,072	-	-	24,072
Computer Consortium/Ed Tech Advance	5,867	10,173	15,948	-	92	20,885	19,318	-	1,659
Early Childhood Intervention (First Steps)	4,024	-	3,402	-	622	-	-	-	622
Medicaid Reimbursement	14,967	(10,001)	-	-	4,966	8,894	-	-	13,860
Secured Schools Safety Grant	-	-	44,531	-	-	44,000	44,000	-	-
Section 125 TFR	54,348	132,021	137,194	-	49,175	100,677	108,099	-	41,753
Life Ins TFR	125,124	96,229	90,672	-	130,681	78,492	79,959	-	129,214
LTD Ins TFR	75,024	94,923	92,950	-	76,997	98,368	88,282	-	87,083
Work Comp Ins TFR	614	313,109	312,877	-	846	340,055	312,030	-	28,871
Medical/Dental Ins TFR	5,784,663	7,189,460	7,332,746	-	5,641,377	6,268,162	3,187,175	(5,000,000)	3,722,364
Supplemental Life Ins TFR	12,177	67,506	67,652	-	12,031	52,288	65,216	-	(897)
Non-English Speaking Programs	7,336	29,407	36,235	-	508	60,237	54,741	-	6,004
School Technology	10,358	23,365	24,063	-	9,660	39,518	27,521	-	21,657
Performance Based Awards	-	232,005	224,774	-	7,231	316,564	325,139	13,625	12,281
Miscellaneous Programs	1,676	-	-	-	1,676	-	-	-	1,676
Alcoa/Lincoln Lions	1,962	2,999	2,373	-	2,588	1,500	2,859	-	1,229
High Ability	54,739	60,341	60,222	-	54,858	56,772	64,579	-	47,051
Title I	(113,358)	1,240,538	1,246,420	-	(119,240)	1,136,752	1,111,304	-	(93,792)
Title I Delinquent	(5,776)	75,270	83,055	-	(13,561)	77,933	70,109	-	(5,737)
Work Ethic Program	2,360	-	1,265	-	1,095	5,000	1,528	-	4,567
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(206,261)	2,389,857	2,400,888	-	(217,292)	2,598,552	2,484,896	-	(103,636)
Sp Ed Preschool	(20,846)	128,909	117,903	-	(9,840)	63,787	57,947	-	(4,000)
Safe Haven	-	3,632	12,329	-	(8,697)	8,697	-	-	-
Medicaid Reimbursement - Federal	86,030	7,506	9,911	-	83,625	106,584	113,055	-	77,154
Improving Teacher Quality, No Child Left, Title II, Part A	(17,663)	245,998	258,799	-	(30,464)	239,642	241,112	-	(31,934)
Title III - English Proficiency Migrant	(3,049)	37,832	40,041	-	(5,258)	41,550	50,567	-	(14,275)
Technology Literacy Challenge, Title III	-	1,127	1,127	-	-	-	-	-	-
Payroll Clearing	223,554	46,963,686	46,821,078	-	366,162	47,560,629	47,950,655	-	(23,864)
Totals	\$ 37,067,793	\$ 126,026,096	\$ 126,049,956	\$ 4,030,519	\$ 41,074,452	\$ 128,412,956	\$ 130,380,073	\$ 2,000,000	\$ 41,107,335

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

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed 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:

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Transfers in. Amounts 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.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers out. Amounts 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 amounts 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 amounts 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of some funds being set up as reimbursable grants. The reimbursement for expenditures were not received by June 30, 2015 and 2016. New textbooks were purchased at the end of the school year rather than waiting until the collections were received which caused the Textbook Rental fund to be overdrawn. In addition, the expenditures of some funds exceeded the receipts and available cash balances.

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporation

The School Corporation has entered into capital leases with the LaPorte Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2015, and June 30, 2016, totaled \$5,674,000 and \$3,656,050, respectively.

Note 9. Subsequent Events

On October 18, 2016, the School Corporation issued the first of two series of property tax bonds. The School Corporation issued \$20,000,000 to provide funding for the construction of a new elementary school, renovations at the high school, and renovations to Kesling and Boston Middle Schools. Kesling will become an intermediate school for the entire School Corporation. Boston will become the Central Service Office. The School Corporation anticipates issuing a second series of bonds in the amount of \$66,000,000 in 2017.

Note 10. Other Postemployment Benefits

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

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 12,991,947	\$ 1,091,867	\$ 144,255	\$ 5,039,157	\$ 388,191	\$ 1,931,490	\$ -	\$ 900,465
Receipts:								
Local sources	157,127	6,867,341	1,611,698	3,464,806	2,652,829	310,325	-	-
Intermediate sources	159,393	-	-	-	-	-	-	-
State sources	40,063,749	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	501,960	-	-	250	12,584	-	-	-
Total receipts	40,882,229	6,867,341	1,611,698	3,465,056	2,665,413	310,325	-	-
Disbursements:								
Instruction	26,859,355	-	-	-	-	-	-	-
Support services	12,198,476	-	-	3,332,921	2,761,316	607,132	-	59,411
Noninstructional services	538,238	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	585,537	-	-	-	-
Debt service	-	6,729,777	1,088,922	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	39,596,069	6,729,777	1,088,922	3,918,458	2,761,316	607,132	-	59,411
Excess (deficiency) of receipts over disbursements	1,286,160	137,564	522,776	(453,402)	(95,903)	(296,807)	-	(59,411)
Other financing sources (uses):								
Proceeds of long-term debt	-	30,519	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,000,000	-
Transfers out	-	-	-	-	-	(1,000,000)	-	-
Total other financing sources (uses)	-	30,519	-	-	-	(1,000,000)	1,000,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,286,160	168,083	522,776	(453,402)	(95,903)	(1,296,807)	1,000,000	(59,411)
Cash and investments - ending	\$ 14,278,107	\$ 1,259,950	\$ 667,031	\$ 4,585,755	\$ 292,288	\$ 634,683	\$ 1,000,000	\$ 841,054

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	KMS Construction	BMS Construction	Corporation Capital Improvements	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Sp Ed Co-Op
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,648,472	\$ 431,163	\$ -	\$ -	\$ 3,616,176
Receipts:								
Local sources	-	-	-	1,222,328	309,300	-	-	5,884,565
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	28,768	264,905	-	-	-
Federal sources	-	-	-	2,216,675	-	-	-	-
Other receipts	-	-	-	13,569	-	-	-	84,422
Total receipts	-	-	-	3,481,340	574,205	-	-	5,968,987
Disbursements:								
Instruction	-	-	-	-	-	-	-	4,910,085
Support services	-	-	-	9,713	1,409,321	-	-	1,119,823
Noninstructional services	-	-	-	3,235,801	-	-	-	-
Facilities acquisition and construction	146,667	146,328	-	-	-	-	-	43,000
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	146,667	146,328	-	3,245,514	1,409,321	-	-	6,072,908
Excess (deficiency) of receipts over disbursements	(146,667)	(146,328)	-	235,826	(835,116)	-	-	(103,921)
Other financing sources (uses):								
Proceeds of long-term debt	2,000,000	2,000,000	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,000,000	2,000,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,853,333	1,853,672	-	235,826	(835,116)	-	-	(103,921)
Cash and investments - ending	\$ 1,853,333	\$ 1,853,672	\$ -	\$ 2,884,298	\$ (403,953)	\$ -	\$ -	\$ 3,512,255

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Sp Ed Co-Op Preschool	Sp Ed/ Louie's Angels	Child Care Program	Alternative Education	Drug/ Suicide Prevention	Instructional Support	Kline Estate KDG Support
Cash and investments - beginning	\$ 183,446	\$ 1,072	\$ 253,848	\$ -	\$ 5,000	\$ -	\$ 1,317,614
Receipts:							
Local sources	497,310	5,650	225,623	-	-	-	-
Intermediate sources	-	-	-	-	-	6,000	-
State sources	-	-	-	11,491	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>497,310</u>	<u>5,650</u>	<u>225,623</u>	<u>11,491</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Disbursements:							
Instruction	374,545	3,225	-	1,911	-	6,000	-
Support services	159,080	-	-	-	-	-	-
Noninstructional services	-	1,799	202,733	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>533,625</u>	<u>5,024</u>	<u>202,733</u>	<u>1,911</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(36,315)</u>	<u>626</u>	<u>22,890</u>	<u>9,580</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(36,315)</u>	<u>626</u>	<u>22,890</u>	<u>9,580</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 147,131</u>	<u>\$ 1,698</u>	<u>\$ 276,738</u>	<u>\$ 9,580</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 1,317,614</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	CPR Training	Extra- Curricular Activities	PSI Teen Pregnancy	Hailmann Unity Fdtn	BMS/ Alcoa/ Science	Preschool Programs	Formative Assessment
Cash and investments - beginning	\$ 1,606	\$ 62	\$ 409	\$ 4,754	\$ 1,000	\$ 17,929	\$ -
Receipts:							
Local sources	220	-	5,000	2,102	-	65,573	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	110	-	-	-	-	-
Total receipts	<u>220</u>	<u>110</u>	<u>5,000</u>	<u>2,102</u>	<u>-</u>	<u>65,573</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	4,455	150	-	-
Support services	-	99	4,829	-	-	35	-
Noninstructional services	-	-	-	-	-	70,817	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>99</u>	<u>4,829</u>	<u>4,455</u>	<u>150</u>	<u>70,852</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>220</u>	<u>11</u>	<u>171</u>	<u>(2,353)</u>	<u>(150)</u>	<u>(5,279)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>220</u>	<u>11</u>	<u>171</u>	<u>(2,353)</u>	<u>(150)</u>	<u>(5,279)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,826</u>	<u>\$ 73</u>	<u>\$ 580</u>	<u>\$ 2,401</u>	<u>\$ 850</u>	<u>\$ 12,650</u>	<u>\$ -</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Computer Consortium/ Ed Tech Advance	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Section 125 TFR	Life Ins TFR	LTD Ins TFR
Cash and investments - beginning	\$ 5,867	\$ 4,024	\$ 14,967	\$ -	\$ 54,348	\$ 125,124	\$ 75,024
Receipts:							
Local sources	-	-	-	-	132,021	96,229	94,923
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	(10,001)	44,531	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	10,173	-	-	-	-	-	-
Total receipts	10,173	-	(10,001)	44,531	132,021	96,229	94,923
Disbursements:							
Instruction	-	3,402	-	-	-	-	-
Support services	15,948	-	-	44,531	137,194	90,672	92,950
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	15,948	3,402	-	44,531	137,194	90,672	92,950
Excess (deficiency) of receipts over disbursements	(5,775)	(3,402)	(10,001)	-	(5,173)	5,557	1,973
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,775)	(3,402)	(10,001)	-	(5,173)	5,557	1,973
Cash and investments - ending	\$ 92	\$ 622	\$ 4,966	\$ -	\$ 49,175	\$ 130,681	\$ 76,997

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Work Comp Ins TFR	Medical/ Dental Ins TFR	Supplemental Life Ins TFR	Non-English Speaking Programs	School Technology	Performance Based Awards	Miscellaneous Programs
Cash and investments - beginning	\$ 614	\$ 5,784,663	\$ 12,177	\$ 7,336	\$ 10,358	\$ -	\$ 1,676
Receipts:							
Local sources	313,109	7,189,460	67,506	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	29,407	4,365	232,005	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	19,000	-	-
Total receipts	<u>313,109</u>	<u>7,189,460</u>	<u>67,506</u>	<u>29,407</u>	<u>23,365</u>	<u>232,005</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	224,774	-
Support services	312,877	7,332,746	67,652	36,235	24,063	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>312,877</u>	<u>7,332,746</u>	<u>67,652</u>	<u>36,235</u>	<u>24,063</u>	<u>224,774</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>232</u>	<u>(143,286)</u>	<u>(146)</u>	<u>(6,828)</u>	<u>(698)</u>	<u>7,231</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>232</u>	<u>(143,286)</u>	<u>(146)</u>	<u>(6,828)</u>	<u>(698)</u>	<u>7,231</u>	<u>-</u>
Cash and investments - ending	<u>\$ 846</u>	<u>\$ 5,641,377</u>	<u>\$ 12,031</u>	<u>\$ 508</u>	<u>\$ 9,660</u>	<u>\$ 7,231</u>	<u>\$ 1,676</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Alcoa/ Lincoln Lions	High Ability	Title I	Title I Delinquent	Work Ethic Program	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Sp Ed Preschool
Cash and investments - beginning	\$ 1,962	\$ 54,739	\$ (113,358)	\$ (5,776)	\$ 2,360	\$ (206,261)	\$ (20,846)
Receipts:							
Local sources	2,999	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	60,341	-	-	-	-	-
Federal sources	-	-	1,240,538	75,270	-	2,389,857	128,909
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>2,999</u>	<u>60,341</u>	<u>1,240,538</u>	<u>75,270</u>	<u>-</u>	<u>2,389,857</u>	<u>128,909</u>
Disbursements:							
Instruction	2,373	55,101	1,027,990	78,212	1,265	2,093,912	93,394
Support services	-	5,121	208,093	4,843	-	306,976	24,509
Noninstructional services	-	-	10,337	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>2,373</u>	<u>60,222</u>	<u>1,246,420</u>	<u>83,055</u>	<u>1,265</u>	<u>2,400,888</u>	<u>117,903</u>
Excess (deficiency) of receipts over disbursements	<u>626</u>	<u>119</u>	<u>(5,882)</u>	<u>(7,785)</u>	<u>(1,265)</u>	<u>(11,031)</u>	<u>11,006</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>626</u>	<u>119</u>	<u>(5,882)</u>	<u>(7,785)</u>	<u>(1,265)</u>	<u>(11,031)</u>	<u>11,006</u>
Cash and investments - ending	<u>\$ 2,588</u>	<u>\$ 54,858</u>	<u>\$ (119,240)</u>	<u>\$ (13,561)</u>	<u>\$ 1,095</u>	<u>\$ (217,292)</u>	<u>\$ (9,840)</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Safe Haven	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Technology Literacy Challenge, Title III	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ 86,030	\$ (17,663)	\$ (3,049)	\$ -	\$ 223,554	\$ 37,067,793
Receipts:							
Local sources	-	-	-	-	-	-	31,178,044
Intermediate sources	-	-	-	-	-	-	165,393
State sources	3,632	-	-	-	-	-	40,733,193
Federal sources	-	7,506	245,998	37,832	1,127	-	6,343,712
Other receipts	-	-	-	-	-	46,963,686	47,605,754
Total receipts	<u>3,632</u>	<u>7,506</u>	<u>245,998</u>	<u>37,832</u>	<u>1,127</u>	<u>46,963,686</u>	<u>126,026,096</u>
Disbursements:							
Instruction	12,329	-	-	-	-	-	35,752,478
Support services	-	9,911	258,799	40,041	1,127	-	30,676,444
Noninstructional services	-	-	-	-	-	-	4,059,725
Facilities acquisition and construction	-	-	-	-	-	-	921,532
Debt service	-	-	-	-	-	-	7,818,699
Nonprogrammed charges	-	-	-	-	-	46,821,078	46,821,078
Total disbursements	<u>12,329</u>	<u>9,911</u>	<u>258,799</u>	<u>40,041</u>	<u>1,127</u>	<u>46,821,078</u>	<u>126,049,956</u>
Excess (deficiency) of receipts over disbursements	<u>(8,697)</u>	<u>(2,405)</u>	<u>(12,801)</u>	<u>(2,209)</u>	<u>-</u>	<u>142,608</u>	<u>(23,860)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	4,030,519
Transfers in	-	-	-	-	-	-	1,000,000
Transfers out	-	-	-	-	-	-	(1,000,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,030,519</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(8,697)</u>	<u>(2,405)</u>	<u>(12,801)</u>	<u>(2,209)</u>	<u>-</u>	<u>142,608</u>	<u>4,006,659</u>
Cash and investments - ending	<u>\$ (8,697)</u>	<u>\$ 83,625</u>	<u>\$ (30,464)</u>	<u>\$ (5,258)</u>	<u>\$ -</u>	<u>\$ 366,162</u>	<u>\$ 41,074,452</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 14,278,107	\$ 1,259,950	\$ 667,031	\$ 4,585,755	\$ 292,288	\$ 634,683	\$ 1,000,000	\$ 841,054
Receipts:								
Local sources	143,656	6,735,407	918,111	3,635,020	2,807,031	374,320	83,591	-
Intermediate sources	172,781	-	-	-	-	-	-	-
State sources	40,189,487	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	190,343	-	-	345	5,285	-	-	-
Total receipts	<u>40,696,267</u>	<u>6,735,407</u>	<u>918,111</u>	<u>3,635,365</u>	<u>2,812,316</u>	<u>374,320</u>	<u>83,591</u>	<u>-</u>
Disbursements:								
Instruction	28,558,139	-	-	-	-	-	-	-
Support services	12,698,653	-	-	3,376,068	2,676,879	475,541	-	40,012
Noninstructional services	548,195	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,413,506	-	-	-	-
Debt service	-	5,954,093	1,087,182	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>41,804,987</u>	<u>5,954,093</u>	<u>1,087,182</u>	<u>5,789,574</u>	<u>2,676,879</u>	<u>475,541</u>	<u>-</u>	<u>40,012</u>
Excess (deficiency) of receipts over disbursements	<u>(1,108,720)</u>	<u>781,314</u>	<u>(169,071)</u>	<u>(2,154,209)</u>	<u>135,437</u>	<u>(101,221)</u>	<u>83,591</u>	<u>(40,012)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,108,720)</u>	<u>781,314</u>	<u>(169,071)</u>	<u>(2,154,209)</u>	<u>135,437</u>	<u>(101,221)</u>	<u>83,591</u>	<u>(40,012)</u>
Cash and investments - ending	<u>\$ 13,169,387</u>	<u>\$ 2,041,264</u>	<u>\$ 497,960</u>	<u>\$ 2,431,546</u>	<u>\$ 427,725</u>	<u>\$ 533,462</u>	<u>\$ 1,083,591</u>	<u>\$ 801,042</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	KMS Construction	BMS Construction	Corporation Capital Improvements	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Sp Ed Co-Op
Cash and investments - beginning	\$ 1,853,333	\$ 1,853,672	\$ -	\$ 2,884,298	\$ (403,953)	\$ -	\$ -	\$ 3,512,255
Receipts:								
Local sources	-	-	-	1,133,053	324,689	2,189,747	76,369	6,680,489
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	30,612	270,060	-	-	-
Federal sources	-	-	-	2,233,044	-	-	-	-
Other receipts	-	-	-	855	3,051	-	-	700
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,397,564</u>	<u>597,800</u>	<u>2,189,747</u>	<u>76,369</u>	<u>6,681,189</u>
Disbursements:								
Instruction	-	-	-	-	-	-	-	5,208,319
Support services	-	-	-	-	898,123	-	-	1,126,066
Noninstructional services	-	-	-	3,723,315	-	-	-	-
Facilities acquisition and construction	455,140	281,234	127,590	-	-	-	-	32,250
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	3,397,123	-	-
Total disbursements	<u>455,140</u>	<u>281,234</u>	<u>127,590</u>	<u>3,723,315</u>	<u>898,123</u>	<u>3,397,123</u>	<u>-</u>	<u>6,366,635</u>
Excess (deficiency) of receipts over disbursements	<u>(455,140)</u>	<u>(281,234)</u>	<u>(127,590)</u>	<u>(325,751)</u>	<u>(300,323)</u>	<u>(1,207,376)</u>	<u>76,369</u>	<u>314,554</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	2,000,000	-	-	-	-	-
Transfers in	-	-	-	-	-	5,000,000	-	-
Transfers out	-	-	-	-	-	-	-	(13,625)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>(13,625)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(455,140)</u>	<u>(281,234)</u>	<u>1,872,410</u>	<u>(325,751)</u>	<u>(300,323)</u>	<u>3,792,624</u>	<u>76,369</u>	<u>300,929</u>
Cash and investments - ending	<u>\$ 1,398,193</u>	<u>\$ 1,572,438</u>	<u>\$ 1,872,410</u>	<u>\$ 2,558,547</u>	<u>\$ (704,276)</u>	<u>\$ 3,792,624</u>	<u>\$ 76,369</u>	<u>\$ 3,813,184</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Sp Ed Co-Op Preschool	Sp Ed/ Louie's Angels	Child Care Program	Alternative Education	Drug/ Suicide Prevention	Instructional Support	Kline Estate KDG Support
Cash and investments - beginning	\$ 147,131	\$ 1,698	\$ 276,738	\$ 9,580	\$ 5,000	\$ -	\$ 1,317,614
Receipts:							
Local sources	587,113	6,707	212,028	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	14,075	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	1,320	-	-	-	-	-	-
Total receipts	<u>588,433</u>	<u>6,707</u>	<u>212,028</u>	<u>14,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	403,334	500	-	12,279	-	-	-
Support services	165,346	-	-	-	-	-	-
Noninstructional services	-	50	201,149	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>568,680</u>	<u>550</u>	<u>201,149</u>	<u>12,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>19,753</u>	<u>6,157</u>	<u>10,879</u>	<u>1,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(50,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>19,753</u>	<u>6,157</u>	<u>10,879</u>	<u>1,796</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Cash and investments - ending	<u>\$ 166,884</u>	<u>\$ 7,855</u>	<u>\$ 287,617</u>	<u>\$ 11,376</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 1,267,614</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	CPR Training	Extra- Curricular Activities	PSI Teen Pregnancy	Hailmann Unity Fdn	BMS/ Alcoa/ Science	Preschool Programs	Formative Assessment
Cash and investments - beginning	\$ 1,826	\$ 73	\$ 580	\$ 2,401	\$ 850	\$ 12,650	\$ -
Receipts:							
Local sources	-	-	5,000	1,775	-	37,177	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	24,072
Federal sources	-	-	-	-	-	-	-
Other receipts	-	105	-	-	-	-	-
Total receipts	-	105	5,000	1,775	-	37,177	24,072
Disbursements:							
Instruction	-	-	-	2,594	600	-	-
Support services	-	-	4,871	-	-	-	-
Noninstructional services	-	-	-	-	-	51,831	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	4,871	2,594	600	51,831	-
Excess (deficiency) of receipts over disbursements	-	105	129	(819)	(600)	(14,654)	24,072
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	50,000	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	50,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	105	129	(819)	(600)	35,346	24,072
Cash and investments - ending	<u>\$ 1,826</u>	<u>\$ 178</u>	<u>\$ 709</u>	<u>\$ 1,582</u>	<u>\$ 250</u>	<u>\$ 47,996</u>	<u>\$ 24,072</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Computer Consortium/ Ed Tech Advance	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Section 125 TFR	Life Ins TFR	LTD Ins TFR
Cash and investments - beginning	\$ 92	\$ 622	\$ 4,966	\$ -	\$ 49,175	\$ 130,681	\$ 76,997
Receipts:							
Local sources	20,075	-	-	-	100,677	78,492	98,368
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	8,894	44,000	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	810	-	-	-	-	-	-
Total receipts	<u>20,885</u>	<u>-</u>	<u>8,894</u>	<u>44,000</u>	<u>100,677</u>	<u>78,492</u>	<u>98,368</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	19,318	-	-	44,000	108,099	79,959	88,282
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>19,318</u>	<u>-</u>	<u>-</u>	<u>44,000</u>	<u>108,099</u>	<u>79,959</u>	<u>88,282</u>
Excess (deficiency) of receipts over disbursements	<u>1,567</u>	<u>-</u>	<u>8,894</u>	<u>-</u>	<u>(7,422)</u>	<u>(1,467)</u>	<u>10,086</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,567</u>	<u>-</u>	<u>8,894</u>	<u>-</u>	<u>(7,422)</u>	<u>(1,467)</u>	<u>10,086</u>
Cash and investments - ending	<u>\$ 1,659</u>	<u>\$ 622</u>	<u>\$ 13,860</u>	<u>\$ -</u>	<u>\$ 41,753</u>	<u>\$ 129,214</u>	<u>\$ 87,083</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Work Comp Ins TFR	Medical/ Dental Ins TFR	Supplemental Life Ins TFR	Non-English Speaking Programs	School Technology	Performance Based Awards	Miscellaneous Programs
Cash and investments - beginning	\$ 846	\$ 5,641,377	\$ 12,031	\$ 508	\$ 9,660	\$ 7,231	\$ 1,676
Receipts:							
Local sources	340,055	6,268,162	52,288	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	60,237	4,404	316,564	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	35,114	-	-
Total receipts	<u>340,055</u>	<u>6,268,162</u>	<u>52,288</u>	<u>60,237</u>	<u>39,518</u>	<u>316,564</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	325,139	-
Support services	312,030	3,187,175	65,216	54,741	27,521	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>312,030</u>	<u>3,187,175</u>	<u>65,216</u>	<u>54,741</u>	<u>27,521</u>	<u>325,139</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>28,025</u>	<u>3,080,987</u>	<u>(12,928)</u>	<u>5,496</u>	<u>11,997</u>	<u>(8,575)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	13,625	-
Transfers out	-	(5,000,000)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(5,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,625</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>28,025</u>	<u>(1,919,013)</u>	<u>(12,928)</u>	<u>5,496</u>	<u>11,997</u>	<u>5,050</u>	<u>-</u>
Cash and investments - ending	<u>\$ 28,871</u>	<u>\$ 3,722,364</u>	<u>\$ (897)</u>	<u>\$ 6,004</u>	<u>\$ 21,657</u>	<u>\$ 12,281</u>	<u>\$ 1,676</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Alcoa/ Lincoln Lions	High Ability	Title I	Title I Delinquent	Work Ethic Program	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Sp Ed Preschool
Cash and investments - beginning	\$ 2,588	\$ 54,858	\$ (119,240)	\$ (13,561)	\$ 1,095	\$ (217,292)	\$ (9,840)
Receipts:							
Local sources	1,500	-	-	-	5,000	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	56,772	-	-	-	-	-
Federal sources	-	-	1,136,752	77,933	-	2,598,552	63,787
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,500</u>	<u>56,772</u>	<u>1,136,752</u>	<u>77,933</u>	<u>5,000</u>	<u>2,598,552</u>	<u>63,787</u>
Disbursements:							
Instruction	2,859	62,842	1,075,525	68,071	1,528	2,162,711	35,204
Support services	-	1,737	24,284	2,038	-	322,185	22,743
Noninstructional services	-	-	11,495	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>2,859</u>	<u>64,579</u>	<u>1,111,304</u>	<u>70,109</u>	<u>1,528</u>	<u>2,484,896</u>	<u>57,947</u>
Excess (deficiency) of receipts over disbursements	<u>(1,359)</u>	<u>(7,807)</u>	<u>25,448</u>	<u>7,824</u>	<u>3,472</u>	<u>113,656</u>	<u>5,840</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,359)</u>	<u>(7,807)</u>	<u>25,448</u>	<u>7,824</u>	<u>3,472</u>	<u>113,656</u>	<u>5,840</u>
Cash and investments - ending	<u>\$ 1,229</u>	<u>\$ 47,051</u>	<u>\$ (93,792)</u>	<u>\$ (5,737)</u>	<u>\$ 4,567</u>	<u>\$ (103,636)</u>	<u>\$ (4,000)</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Safe Haven	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Technology Literacy Challenge, Title III	Payroll Clearing	Totals
Cash and investments - beginning	\$ (8,697)	\$ 83,625	\$ (30,464)	\$ (5,258)	\$ -	\$ 366,162	\$ 41,074,452
Receipts:							
Local sources	-	-	-	-	-	-	32,915,900
Intermediate sources	-	-	-	-	-	-	172,781
State sources	8,697	-	-	-	-	-	41,027,874
Federal sources	-	106,584	239,642	41,550	-	-	6,497,844
Other receipts	-	-	-	-	-	47,560,629	47,798,557
Total receipts	<u>8,697</u>	<u>106,584</u>	<u>239,642</u>	<u>41,550</u>	<u>-</u>	<u>47,560,629</u>	<u>128,412,956</u>
Disbursements:							
Instruction	-	-	-	-	-	-	37,919,644
Support services	-	113,055	241,112	50,567	-	-	26,225,621
Noninstructional services	-	-	-	-	-	-	4,536,035
Facilities acquisition and construction	-	-	-	-	-	-	3,309,720
Debt service	-	-	-	-	-	-	7,041,275
Nonprogrammed charges	-	-	-	-	-	47,950,655	51,347,778
Total disbursements	<u>-</u>	<u>113,055</u>	<u>241,112</u>	<u>50,567</u>	<u>-</u>	<u>47,950,655</u>	<u>130,380,073</u>
Excess (deficiency) of receipts over disbursements	<u>8,697</u>	<u>(6,471)</u>	<u>(1,470)</u>	<u>(9,017)</u>	<u>-</u>	<u>(390,026)</u>	<u>(1,967,117)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	2,000,000
Transfers in	-	-	-	-	-	-	5,063,625
Transfers out	-	-	-	-	-	-	(5,063,625)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>8,697</u>	<u>(6,471)</u>	<u>(1,470)</u>	<u>(9,017)</u>	<u>-</u>	<u>(390,026)</u>	<u>32,883</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 77,154</u>	<u>\$ (31,934)</u>	<u>\$ (14,275)</u>	<u>\$ -</u>	<u>\$ (23,864)</u>	<u>\$ 41,107,335</u>

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LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 2,373,922</u>	<u>\$ 357,501</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Pitney Bowes Coporation	Postage Machine Lease	\$ 2,757	10/22/2014	10/22/2019
Ricoh Coporation	Copier Lease	234,681	09/18/2012	07/18/2018
LaPorte Multi School Building Coporation	Five Projects	1,357,309	07/15/2013	01/15/2023
LaPorte Multi School Building Coporation	Handley QSCB Boston/Kesling HVAC Upgrades	<u>1,631,000</u>	07/15/2011	07/15/2018
Total of annual lease payments		<u>\$ 3,225,747</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Amended Taxable General Obligation Pension Bonds of 2014	\$ 965,000	\$ -
General obligation bonds	Amended Taxable General Obligation Pension Bond of 2015	1,765,000	628,798
General obligation bonds	School Pension Bonds	<u>540,000</u>	<u>-</u>
Totals		<u>\$ 3,270,000</u>	<u>\$ 628,798</u>

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 300,455
Buildings	74,436,568
Improvements other than buildings	10,618,936
Machinery, equipment, and vehicles	9,372,585
Construction in progress	4,057,009
Books and other	<u>5,482,714</u>
Total capital assets	<u>\$ 104,268,267</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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Web Site: www.in.gov/sboa

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

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

Report on Compliance for Each Major Federal Program

We have audited the LaPorte Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. 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 2016-005 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 Program Income. Consequently, we were unable to determine whether the School Corporation complied with this requirement applicable to the programs.

As described in item 2016-006 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding suspension and debarment 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 those programs.

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 Program Income the School Corporation's compliance with the requirements of the Child Nutrition Cluster regarding program income and the noncompliance regarding suspension and debarment, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraphs, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2014 to June 30, 2016.

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 each of 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, 2014 to June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003, 2016-004, and 2016-007. Our opinion on each major federal program is not modified with respect to these matters.

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

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.

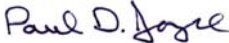
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007 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

June 7, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

LAPORTE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY 2014-2015	-	\$ 458,344	-	-
School Breakfast			FY 2015-2016	-	-	-	463,522
Total - School Breakfast Program				-	458,344	-	463,522
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch			FY 2014-2015	-	1,680,927	-	-
School Lunch			FY 2015-2016	-	-	-	1,698,662
Commodities			FY 2014-2015	-	210,849	-	-
Commodities			FY 2015-2016	-	-	-	214,233
Total - National School Lunch Program				-	1,891,776	-	1,912,895
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children			FY 2014-2015	-	54,346	-	-
Summer Food Service Program for Children			FY 2015-2016	-	-	-	48,914
Total - Summer Food Service Program for Children				-	54,346	-	48,914
Total - Child Nutrition Cluster				-	2,404,466	-	2,425,331
Child and Adult Care Food Program	Indiana Department of Education	10.558					
After School Snacks			FY 2014-2015	-	23,057	-	-
After School Snacks			FY 2015-2016	-	-	-	21,841
Total - Child and Adult Care Food Program				-	23,057	-	21,841
Total - Department of Agriculture				-	2,427,523	-	2,447,172
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
525-2 - Special Ed Supplemental			14213-057-PN01	-	295	-	-
525-3 - Special Ed			14214-057-PN01	-	393,252	-	-
525-4 - Special Ed			14215-057-PN01	-	972,524	-	454,931
525-5 - Special Ed			14216-055-PN01	-	-	-	1,050,286
525-0 - Special Ed TA Grant			99914-057-TA01	-	17,409	-	337
Total - Special Education_Grants to States				-	1,383,480	-	1,505,554

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

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016
(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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Education (continued)</u>							
Special Education Cluster (IDEA) (continued)							
Special Education_Preschool Grants	Indiana Department of Education	84.173					
545-3 - Special Ed Preschool			45714-057-PN01	-	28,051	-	-
545-4 - Special Ed Preschool			45715-057-PN01	-	46,625	-	12,840
545-5 - Special Ed Preschool			45716-055-PN01	-	-	-	24,129
Total - Special Education_Preschool Grants				-	74,676	-	36,969
Total - Special Education Cluster (IDEA)				-	1,458,156	-	1,542,523
Title I Grants to Local Educational Agencies							
410-3 - Title I Part A	Indiana Department of Education	84.010	ESEA 2013-2014	-	213,179	-	-
414-3 - Title I Part D			ESEA 2013-2014	-	22,940	-	-
410-4 - Title I Part A			ESEA 2014-2015	-	1,027,359	-	221,390
414-4 - Title I Part D			ESEA 2014-2015	-	52,330	-	27,671
410-5 - Title I Part A			ESEA 2015-2016	-	-	-	915,780
414-5 - Title I Part D			ESEA 2015-2016	-	-	-	50,262
Total - Title I Grants to Local Educational Agencies				-	1,315,808	-	1,215,103
English Language Acquisition State Grants							
688-3 - Title III ENL	Indiana Department of Education	84.365	FY 13	-	18,106	-	2,470
688-4 - Title III ENL			FY 14	-	19,725	-	30,702
688-5 - Title III ENL			FY 15	-	-	-	8,379
Total - English Language Acquisition State Grants				-	37,831	-	41,551
Improving Teacher Quality State Grants							
684-3 - Title II Part A	Indiana Department of Education	84.367	FFY 2012	-	63,492	-	-
684-4 - Title II Part A			FFY 2013	-	182,506	-	21,167
684-5 - Title II Part A			FFY 2014	-	-	-	205,057
684-6 - Title II Part A			FFY 2015	-	-	-	13,419
698-4 - Title II Part A			01113-353-PN01	-	1,127	-	-
Total - Improving Teacher Quality State Grant				-	247,125	-	239,643
Total - Department of Education				-	3,058,920	-	3,038,820
Total federal awards expended				\$ -	\$ 5,486,443	\$ -	\$ 5,485,992

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative

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

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$329,173

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2016-001 - CASH AND INVESTMENT BALANCES

Condition

There were deficiencies in the internal control system of the School Corporation related to cash and investments. There were no controls in place to ensure that record balances were reconciled monthly to the bank depository balances.

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

Due to the implementation of new financial software and issues with transferring data from the old software, reconciliations of the fund balance to the payroll bank account balance were not presented for all 24 months of the audit period. Reconciliations of the fund balances to the corporate bank account and investment bank account were not presented for 3 months of the audit period. The School Corporation payroll bank account had not been reconciled since June 2014. The corporate and investment bank accounts have not been reconciled since March 2016.

In total, the bank balance exceeded the School Corporation's record balance by \$125,187 and \$2,414,249 as of June 30, 2015, and June 30, 2016, respectively.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Cause

Management of the School Corporation had not established a proper system of internal control.

Effect

The failure to establish and properly implement controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

**FINDING 2016-002 - PREPARATION OF THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). One employee prepared and submitted the SEFA without controls to ensure its accuracy.

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster did not include commodities of \$210,849 and \$214,233 for the years ended June 30, 2015 and 2016, respectively.
2. The School Breakfast Program was understated by \$4,855, for the year ended June 30, 2016.
3. The National School Lunch Program was overstated by \$10,191 for the year ended June 30, 2016.
4. The Summer Food Service Program for Children was understated by \$5,231 for the year ended June 30, 2016.
5. The Special Education Cluster (IDEA) was overstated by \$10,204 and \$313,391 for the years ended June 30, 2015 and 2016, respectively.
6. The Title I Grants to Local Educational Agencies was understated by \$13,667 and \$249,061 for the years ended June 30, 2015 and 2016, respectively.
7. The English Language Acquisition State Grants were overstated by \$739 for the year ended June 30, 2015, and understated by \$2,470 for the year ended June 30, 2016.
8. The Improving Teacher Quality State Grants was overstated by \$792 for the year ended June 30, 2015, and understated by \$21,167 for the year ended June 30, 2016.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

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

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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 § .310. . . ."

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

"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. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-003 - CASH MANAGEMENT

Federal Agency: Department of Education
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY 2015-2016
Pass-Through Entity: Indiana Department of Education

This is a repeat of Finding 2014-002 from the immediate prior year.

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

The Food Service Department designed a control but failed to properly implement it to ensure compliance with the cash management requirements.

The School Corporation did not have properly implemented internal controls to ensure that they limited their Net Cash Resources in the School Lunch fund to the three months average expenditures of the food service. In addition, the School Corporation failed to comply with the cash management requirements.

Context

This was a systemic issue. The net cash resources in the School Lunch fund exceeded the three months average expenditure amounts in every month from July 2014 to June 2016.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.14(b) states:

"*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

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

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

- (iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the cash management requirements.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Cash Management compliance requirement. We also recommended that the School Corporation comply with the Cash Management compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-004 - EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY 2015-2016

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

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

The School Corporation failed to properly design and implement internal controls to ensure compliance with equipment and real property management requirements. The School Corporation purchased items exceeding the capitalization threshold of \$5,000 during the 2014-2015 and 2015-2016 school years. Those purchases included dishwashers, ovens, refrigerators, a walk-in cooler, and a forklift. None of those purchases were included on the School Corporation's capital asset listing. Equipment purchases made in the 2015-2016 school year that exceeded the capitalization threshold were not recorded on the capital asset listing due to turnover of key personnel. Additionally, the School Corporation had not taken a physical inventory of their equipment during the audit period.

Context

This is an isolated instance; the School Corporation did not record equipment purchases in the 2015-2016 year to the capital asset listing.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 3016.32(d) states in part:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. . . ."

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

2 CFR 200.313(d) states in part:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the equipment and real property management requirements.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Equipment and Real Property Management compliance requirement. We also recommended the School Corporation comply with the Equipment and Real Property Management compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-005 - PROGRAM INCOME

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY 2015-2016

Pass-Through Entity: Indiana Department of Education

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

Program income related to students' prepaid account balances was not properly recorded in the accounting records of the School Corporation. The School Corporation utilized a single fund, the School Lunch fund, to account for all activity of the food service program. In addition, because prepaid receipts were recorded directly in the School Lunch fund, these receipts were identified as program income before they were earned.

Context

The lack of controls and compliance was a systemic problem. The School Corporation failed to properly record program income related to student's prepaid accounts. Program income requirements could not be tested due to the activity of the food service program being maintained in a single fund, the School Lunch fund.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 3016.20(b)(2) states:

"*Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

2 CFR 200.302(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by documentation."

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

Cause

Management had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were properly identified and accounted for.

Effect

The failure to establish an effective internal control system prevented the determination of compliance with program income requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that the program income records were properly maintained.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-006 - PROCUREMENT, SUSPENSION, AND DEBARMENT

Federal Agency: Department of Education

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY 2015-2016

Pass-Through Entity: Indiana Department of Education

This is a repeat of Finding 2014-003 from the immediate prior year.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

There were no controls in place to ensure compliance with the suspension and debarment requirements. The School Corporation failed to provide documentation for how they evaluated bids related to various supplies and goods purchased by the Food Service. Additionally, the School Corporation failed to ensure that vendors were not suspended or debarred. They did not perform a verification or obtain certifications that the vendors were not suspended or debarred.

Context

The lack of controls and compliance was a systemic problem. There were no procedures in place to ensure compliance with any transactions subject to the suspension and debarment requirements throughout the audit period.

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

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CRF 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the suspension and debarment requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Procurement and Suspension and Debarment compliance requirement. We also recommended that the School Corporation comply with the suspension and debarment requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-007 - SPECIAL TESTS AND PROVISIONS - SCHOOLWIDE PROGRAMS

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): ESEA 2013-2014, ESEA 2014-2015,
ESEA 2015-2016

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Schoolwide Programs compliance requirement.

There were no controls in place to ensure that the Schoolwide Plans were completed each school year. The Schoolwide Plans were not properly updated; many had not been updated since the 2010-2011 school year. The cover pages had the proper dates, but the plans themselves were dated with prior school years.

Context

The lack of controls and compliance was a systemic problem. The School Corporation failed to establish controls that would have ensured that the Schoolwide Plans were updated as required.

Criteria

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. . . ."

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 200.26(c) states:

"*Evaluation.* A school operating a schoolwide program must—

- (1) Annually evaluate the implementation of, and results achieved by, the schoolwide program, using data from the State's annual assessments and other indicators of academic achievement;
- (2) Determine whether the schoolwide program has been effective in increasing the achievement of students in meeting the State's academic standards, particularly for those students who had been furthest from achieving the standards; and
- (3) Revise the plan, as necessary, based on the results of the evaluation, to ensure continuous improvement of students in the schoolwide program."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the special tests and provisions - schoolwide programs requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Special Tests and Provisions - Schoolwide Programs compliance requirement. We also recommended the School Corporation comply with the Special Tests and Provisions - Schoolwide Programs compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

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

Board of School Trustees

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Mrs. Rhonda Spence, Member
Mrs. Marie Gilliland, Member
Mrs. Shari Ott-Large, Member
Mr. Jim Arnold, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002 CASH MANAGEMENT

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Greg Hunt, CFO

Contact Phone Number: (219) 362-7506

Status of Audit Finding:

LPCSC's Food Service Department has dual controls where the secretary and the Food Service Director both review and sign the Monthly Reimbursement Sheet and the Summary Sheet requesting reimbursements from the State.

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

In 2007 LPCSC partnered with Meal Time and now with Nutrikids (online) to reduce the excessive handling of cash. This allows parents to deposit directly instead of sending money into the school.

LPCSC continues to work on the operating balance in Food Service Fund Balance. Our Food Service Director has done an amazing job in bidding out on individual items and commodities to get the very best pricing. This coupled with the exceptional turnout of students eating lunches it has led to the fund balance exceeding the three month operating balance. Each year LPCSC Food Service has attempted to bring that balance down by purchasing fresh fruit and vegetables as well as the upgrade type of meats being served to LPCSC students. In addition to the food items, LPCSC Food Service has also purchased a great deal of equipment, which has led to "cooking kitchens" and the improvement of meals. LPCSC continues offer free lunches for those students who qualified for "reduced" lunch to help lower the operating balance. LPCSC has continued to apply for the waiver from the state to keep lunch prices the same and have received the waiver as LPCSC continues to lower the operating balance.



(Signature)

CFO
(Title)

March 2, 2017
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).

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Mrs. Shari Ott-Large, Member
Mr. Jim Arnold, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003 SUSPENSION AND DEBARMENT

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Greg Hunt, CFO

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

For Title I Grants, all purchase orders are processed through the Grant Coordinator. Once the Purchase Order is received, before processing the PO, the Grant Coordinator searches www.sam.gov. This process allows to verify if a vendor has been suspended or debarred. A print screen of the search results is attached to every potential order and or bid. LaPorte Community School Corporation is still working on implementing controls over the Child Nutrition Grant to meet Federal requirements.



(Signature)

CFO

(Title)

March 2, 2017

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).

Mr. Mark D. Francesconi, Superintendent
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004 ALLOWABLE COSTS

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Greg Hunt, CFO

Contact Phone Number: (219) 362-7506

Status of Audit Finding:

Semi-Annual Certification Forms are completed using the Federal Grant and Corporation Job List. In Early January and Mid-June, these forms are sent to the buildings where these employees work. The Principals review, sign and date these forms, and return to the Grant Coordinator. These forms are kept in the Federal Grant's Yearly Binder. The Grant Coordinator also runs a Payroll Gross Pay Distribution report after each payroll to verify that these employees are currently the ones being paid out of the grant. The Payroll Gross Pay Distributions are also kept in the Grant's Yearly Binder.

Time and Effort Logs are completed monthly by employees who are split funded. These are collected by the Grant Coordinator, and kept in the Grant's Yearly Binder. There is also a master list that is kept, to ensure each time and effort log is returned each month. On a monthly basis the Coordinator prints and reviews two different payroll reports for all Federal Grants and keeps those with the Semi-Annual Certification Forms. The reports are kept in an audit binder along with the certification forms and time and efforts logs.



(Signature)

CFO
(Title)

March 2, 2017
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).

Board of School Trustees

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005 EQUIPMENT MANAGEMENT

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Greg Hunt, CFO

Contact Phone Number: (219) 362-7506

Status of Audit Finding:

Semi-Annually the Grant Coordinator requests a detailed inventory list from the Technology and the Crowley Juvenile Center. The Grant Coordinator then checks the inventory list(s) with the purchase orders to ensure new purchases have been included on the updated inventory list. Due to the decrease in the amount of dollars received through our grants, the dollars have been used, primarily on wages and benefits.

In 2010 LPCSC began to use Industrial Appraisal Company to conduct an onsite appraisal of all of our properties. Each subsequent year since, LPCSC has sent them a list of newly acquired equipment to keep records updated on equipment.



(Signature)

CFO
(Title)

March 2, 2017
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).

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

CORRECTIVE ACTION PLAN

FINDING 2016-001: Cash and Investment Balances

Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056


Views of Responsible Official:

We concur with the finding, however, internal controls procedure is in place and has been followed for the verification of bank reconciliations. It had not been followed for the last three months of the audit period due to the conversion of the financial software and the fact that the balances that were carried forward were not the true cash balances, therefore not allowing us to correctly reconcile our bank statements to our software. However, the CFO and the Treasurer manually checked the expenses and revenues and calculated that into the March 31, 2016 balances to ensure we were tracking our funds in the only way possible at the time. This is also how we were able to complete the Form 9's after switching our software company. The whole purpose of moving to the new software was to increase the internal controls process of financial activity and reporting. Monitoring the validity of financial activity was and has continued to be done by matching our revenues, expenses, and outstanding checks against the monthly bank statements. Turnover in the Treasurer, Deputy Treasurer, and Payroll has also been a small contribution to the delay in reconciliation. Our Treasurer of over 18 years retired with our former Deputy Treasurer stepping into the role of Treasurer. And with her learning her new role in addition to teaching the new Deputy Treasurer her role it has been extremely time consuming and a huge learning experience with verifying accuracy in the new financial software. In Payroll it went from two people to one person running the Payroll for over 1100 employees and on top of that, the one person had to have surgery and was out for over six weeks making it very difficult to complete all tasks. That has since been rectified by adding another person in Payroll to verify accuracy as well as aid in taking the burden off one person to complete all payroll duties.

Description of Corrective Action Plan:

True cash balances have been verified and submitted to the financial software company to correct the beginning cash balance for April 1, 2016. Reconciliations will be completed going back to April 1, 2016 and going forward. LPCSC is awaiting the verification from the software company and it is our hope that those will be in place by the end of June 2017. LPCSC will resume the established internal controls procedure of the Treasurer reconciling the financial bank statements and the Lead Payroll Clerk reconciling the payroll bank statement then signing off with the CFO verifying the accuracy and initialing and dating the statement on a monthly basis.

Anticipated Completion Date:
By the end of June, 2017



(Signature)
CFO

(Title)
6/7/17

(Date)



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

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Mr. Jim Arnold, Member

CORRECTIVE ACTION PLAN

FINDING 2016-002: Preparation of the Schedule of Expenditures of Federal Awards


Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056


Views of Responsible Official:
We concur with the finding.

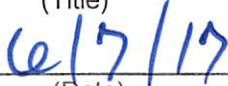
Description of Corrective Action Plan:

The LPCSC Board has adopted new board policy regarding internal controls and is documenting procedures in an LPCSC Internal Controls Guideline. The Deputy Treasurer will compile the data and information for the Annual Financial Report on Gateway but before online submission is made, the Treasurer and CFO will review the report for accuracy and sign off upon completion of review. The report and signature page will be kept on file.

Anticipated Completion Date:
August of 2017



(Signature)


(Title)


(Date)

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

Board of School Trustees

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Mrs. Shari Ott-Large, Member
Mr. Jim Arnold, Member

CORRECTIVE ACTION PLAN

FINDING 2016-003: Cash Management

Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056

Views of Responsible Official:


We concur with the finding that the cash balance exceeds the three month operating balance, but not due to a lack of internal controls. LPCSC takes great pride in offering school lunches that students want to purchase due to the creativity of what is being offered. Many different school corporations inquire how LPCSC has such a high breakfast and lunch participation. The high participation coupled with the line by line bidding process of commodities and supplies results in a strong revenue. A constant eye is kept on the balance and many attempts have been to lower the balance without being frivolous.


Description of Corrective Action Plan:

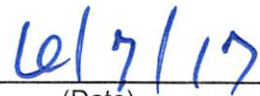
LPCSC has purchased kitchen equipment and other capital items, given raises to the Food Service Staff, added a variety of fresh fruits and vegetables to the menu, and picked up the reduced students cost making lunch free for those students, all in effort to lower the operating balance. We have also established the appropriate Prepaid Clearing Accounts which has also brought our cash balance down in our Food Service fund. LPCSC is currently in the process building a new elementary school and an intermediate campus and we are holding cash in which to pay for all of the kitchen equipment for both of those projects. Once the projects are completed in 2019, the balance should be at the required three month operating balance.

Anticipated Completion Date:

Elementary Building 2018-2019 and Intermediate Building 2019-2020



(Signature)


(Title)


(Date)

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Mr. Jim Arnold, Member

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

CORRECTIVE ACTION PLAN

FINDING 2016-004: Equipment and Real Property Management

Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056

Views of Responsible Official:


We concur with the finding. Due to current and upcoming construction of our new Handley Elementary School, a new Performing Arts Center and a new Intermediate School, we felt it would be more accurate to have an outside agency conduct a physical inventory of the entire corporation once these projects were underway. Changes with personnel in the business office and converting to the new financial and student software also played an important factor in delaying the updates to the capital asset listing. Each year the capital list is revised, however, a complete physical inventory has not been performed since 2010. LPCSC intends have an outside source conduct a physical inventory beginning in the summer of 2017. This will allow for a reconciliation of any equipment, in addition to the assets purchased during 2015-2016 school year.


Description of Corrective Action Plan:

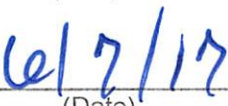
LPCSC has requested and received an on-site appraisal quote from an outside agency to conduct a physical inventory of assets that exceeds the capitalization threshold of \$5000. The on-site inspection will take place in parts. The first part will be to inventory all buildings except the ones listed above as our new construction. As those projects are completed, the outside agency will come back to do an on-site inspection and record those additions. A contract will be signed to begin the work in the summer of 2017.

Anticipated Completion Date:

Fall of 2017 / As construction projects are completed



(Signature)


(Title)


(Date)

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Jan Ribordy, Vice President
Mrs. Shannon Hannon, Secretary
Mrs. Rhonda Spence, Member
Mrs. Marie Gilliland, Member
Mrs. Shari Ott-Large, Member
Mr. Jim Arnold, Member

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

CORRECTIVE ACTION PLAN

FINDING 2016-005: Program Income

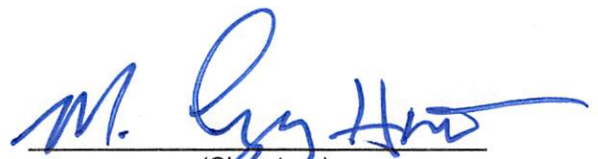
Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

Internal controls have been established and will continue to be a constant work in progress. The appropriate Clearing Account for prepaid meal accounts has been established along with the proper receipt and revenue classifications, in accordance with the State Board of Accounts. Transfers from the prepaid line to the revenue line will be done on a monthly basis (preferably by the 5th of the following month) and the deadline for the transfer has been established and is reflected as such in the LPCSC Internal Controls Manual.

Anticipated Completion Date:
Is currently in place.



(Signature)

CFO

(Title)

6/7/17

(Date)

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Jan Ribordy, Vice President
Mrs. Shannon Hannon, Secretary
Mrs. Rhonda Spence, Member
Mrs. Marie Gilliland, Member
Mrs. Shari Ott-Large, Member
Mr. Jim Arnold, Member

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

CORRECTIVE ACTION PLAN

FINDING 2016-006: Procurement, Suspension and Debarment

Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

Internal controls have been established and will continue to be a constant work in progress. LPCSC currently has a system in place for to check suspension and debarment for our Title Grants. The same system will be used for checking vendors for our bid awards and purchases made with funds from the National School Lunch Program and Summer Food Service Program for Children. The system for checks and balance will even go a step further than with our Title Grants and will be conducted as follows. Each purchase made using funds from our Food Service will be run through www.sams.gov prior to placing an order. This process will be conducted by the Food Service secretary and the results of the search will be attached to the purchase order or claim form before submitting to our Accounts Payable department. The head of our Accounts Payable will double check to ensure that a copy of the sams.gov has been attached to the purchase order or claim, if not, that individual will run the report and attach it.

Anticipated Completion Date:
Is currently in place.



(Signature)

CFO

(Title)

6/3/17

(Date)



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

Board of School Trustees

Mr. Mark Kosior, President
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Mrs. Marie Gilliland, Member
Mrs. Shari Ott-Large, Member
Mr. Jim Arnold, Member

CORRECTIVE ACTION PLAN

FINDING 2016-007: Internal Control Over Special Tests and Provisions - Schoolwide Programs

Contact Person Responsible for Corrective Action: Greg Hunt
Contact Phone Number: 219-362-7056

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

Internal controls have been established and will continue to be a constant work in progress. Each year Schoolwide Improvement Plans for all public schools are due to the Indiana Department of Education by September 15. LPCSC is going to utilize that deadline to update the Schoolwide Plans for Title I Federal Program. In addition to the deadline set forth by the State, the Schoolwide Plans for each of our Title schools, will be used for the Schoolwide Plan for Title I. This process will ensure that plans are updated in a timely manner and that the most current information included in the plan. Plans are submitted to the Assistant Superintendent that oversees Title I and it will also be verified for completion and accuracy by the LPCSC Grant Coordinator.

Anticipated Completion Date:

Will begin with the September 15 deadline for the 2017-2018 school year.



(Signature)

CFO

(Title)

6/2/17

(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.