

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LOOGOOTEE COMMUNITY SCHOOL CORPORATION  
MARTIN COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
04/19/2018



## 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.....	10-11
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.....	20-33
Schedule of Leases and Debt .....	34
Schedule of Capital Assets.....	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	38-39
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	42-43
Notes to Schedule of Expenditures of Federal Awards .....	44
Schedule of Findings and Questioned Costs .....	45-54
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	56-60
Corrective Action Plan .....	61-64
Other Reports.....	65

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra LaMar	07-01-14 to 12-31-18
Superintendent of Schools	Dr. Joan Keller Chip Mehaffey	07-01-14 to 06-30-16 07-01-16 to 06-30-19
President of the School Board	Scott Hall Nancy Summers Brent Courter	07-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Loogootee Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 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 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 March 5, 2018, 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 solely 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 effectiveness of the School Corporation's 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

March 5, 2018



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Loogootee Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated March 5, 2018, 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 a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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 item 2016-001.

**Loogootee Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

March 5, 2018

(This page intentionally left blank.)

## 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.

LOGOOTEER 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	\$ 1,818,433	\$ 6,320,780	\$ 5,805,357	\$ (244,000)	\$ 2,089,856	\$ 5,725,566	\$ 5,777,475	\$ -	\$ 2,037,947
Debt Service	190,549	254,525	241,236	-	203,838	380,655	241,236	-	343,257
Retirement/Severance Bond Debt Service	27,931	301,349	266,784	-	62,496	303,421	130,460	-	235,457
Capital Projects	56,431	624,733	601,911	-	79,253	602,502	500,824	-	180,931
School Transportation	361,216	587,197	350,693	(200,000)	397,720	487,866	403,655	(199,897)	282,034
School Bus Replacement	-	37,707	-	-	37,707	61,232	-	-	98,939
Rainy Day	1,000,915	168,562	394,478	200,000	974,999	103,813	149,817	200,000	1,128,995
Post-Retirement/Severance Future Benefits	1,415,950	-	472,640	250,000	1,193,310	6,602	390,597	-	809,315
Construction	-	-	-	-	-	-	-	890,000	890,000
School Lunch	20,648	410,945	422,365	-	9,228	418,677	400,676	-	27,229
Textbook Rental	181,712	120,583	92,917	-	209,378	106,863	58,870	-	257,371
Levy Excess	-	103	-	-	103	-	-	(103)	-
Educational License Plates	5,306	300	-	-	5,606	131	-	-	5,737
Resource Activity	2,825	-	-	-	2,825	-	-	-	2,825
Engineering Grant (Martin)	1,653	1	-	-	1,654	-	-	-	1,654
Phi Kappa Delta - Professional Development	4,362	-	377	-	3,985	-	-	-	3,985
MCCF Grant R. Bough	10	-	10	-	-	-	-	-	-
MCCF Grant S. Wagler	1	-	1	-	-	-	-	-	-
MCCF Grant H. Kidwell	1	-	1	-	-	-	-	-	-
Shopko Donation High School	667	-	417	-	250	-	-	-	250
Shopko Donation JH/Intermediate	667	-	667	-	-	-	-	-	-
Shopko Donation Elementary School	120	-	120	-	-	-	-	-	-
Bully Education Grant/N. Wade	-	550	550	-	-	-	-	-	-
MCCF Grant N. Bays	-	-	-	-	-	300	251	-	49
MCCF Grant B. Buchta	-	-	-	-	-	160	160	-	-
MCCF Grant T. Smith	-	-	-	-	-	200	200	-	-
MCCF Grant T. Walton	-	-	-	-	-	200	200	-	-
Martin Co LCC Substance Abuse	-	-	-	-	-	1,000	-	-	1,000
Get Schooled Foundation	-	-	-	-	-	500	-	-	500

LOGOOTEETEE 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
In Youth Institute Grant 2014	-	551	551	-	-	-	-	-	-
In Youth Institute Grant 2015	-	-	-	-	-	686	686	-	-
Peers Grant 2009-2010	34	-	-	-	34	-	-	-	34
Hoosier Uplands Scholarship	-	1,300	1,300	-	-	1,300	1,300	-	-
American Student Institute Grant	983	-	-	-	983	-	-	-	983
Formative Assessment Grant	-	-	-	-	-	12,378	9,880	-	2,498
High Ability Grant 2012-13	7,491	-	3,066	-	4,425	-	-	-	4,425
High Ability Grant 2015-2016	-	-	-	-	-	29,135	25,037	-	4,098
High Ability Grant 2014-2015	-	28,028	27,775	-	253	-	253	-	-
Non-English Speaking Programs	257	-	-	-	257	-	-	-	257
School Technology	(1,349)	5,409	6,377	-	(2,317)	6,564	8,184	-	(3,937)
Performance Based Awards	-	49,733	48,023	-	1,710	-	1,710	-	-
Tobacco Prevention	500	-	-	-	500	-	-	-	500
Information Literacy Skills	98	-	-	-	98	-	-	-	98
Project Lead The Way	709	-	659	-	50	-	-	-	50
Title I 2013-2014	(10,449)	29,667	19,218	-	-	-	-	-	-
Title I 2014-2015	-	76,593	84,796	-	(8,203)	42,375	34,172	-	-
Title I 2015-2016	-	-	-	-	-	113,228	124,737	-	(11,509)
Title II Part A 2013-14	(3,517)	3,506	(11)	-	-	-	-	-	-
Title II Part A 2014-15	-	34,346	34,346	-	-	-	-	-	-
Title II Part A 2015-16	-	-	-	-	-	30,397	30,397	-	-
Prepaid Food	-	-	-	-	-	(3,166)	-	-	(3,166)
Clearing Accounts - Payroll	280	1,139,414	1,139,657	-	37	1,150,061	1,150,061	-	37
Totals	<u>\$ 5,084,434</u>	<u>\$ 10,195,882</u>	<u>\$ 10,016,281</u>	<u>\$ 6,000</u>	<u>\$ 5,270,035</u>	<u>\$ 9,582,646</u>	<u>\$ 9,440,838</u>	<u>\$ 890,000</u>	<u>\$ 6,301,843</u>

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

LOGOOTEЕ 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.

LOGOOTEER 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.

*Sale of capital assets.* Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

LOGOOTEER COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

LOGOOTEER COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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.

LOGOOTEER 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.

*C. Additional Pension Plans*

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some receipts and disbursements which appear as negative entries. The negative disbursements in the Title II Part A 2013-14 fund are a result of an error made in the prior period which was corrected by reversing the original entry. When cafeteria sales to students exceed payments received, the net amount was recorded as a negative receipt in the Prepaid Food fund. Cafeteria sales to students during the audit period exceeded the payments received resulting in the negative receipts in the Prepaid Food fund.

LOGOOTEER COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants for which the reimbursement for expenditures made by the School Corporation was not received from the grantor agencies by June 30, 2015 and 2016. Additionally, the Prepaid Food fund is set up to record prepayments for student meals. Meals charged by students exceeded prepayments received into the fund which resulted in the negative ending balance.

**Note 9. Holding Corporation**

The School Corporation has entered into a capital lease with Loogootee 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 will begin in fiscal year 2017.

**Note 10. Other Postemployment Benefits**

The School Corporation provides to eligible retirees the following benefits: health insurance and severance pay. The health insurance benefit is limited to certain noncertified employees who retired prior to the current audit period. No new retirees, certified or noncertified, are eligible for this benefit. Retiring teachers who attain prescribed vesting requirements are eligible for severance pay for unused sick/personal leave. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding these benefits can be obtained by contacting the School Corporation.

(This page intentionally left blank.)

#### 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 Indiana Gateway for Government Units 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 1,818,433	\$ 190,549	\$ 27,931	\$ 56,431	\$ 361,216	\$ -	\$ 1,000,915	\$ 1,415,950
Receipts:								
Local sources	40,926	254,525	301,349	624,733	587,197	37,707	168,562	-
Intermediate sources	96	-	-	-	-	-	-	-
State sources	5,879,454	-	-	-	-	-	-	-
Federal sources	374,871	-	-	-	-	-	-	-
Other receipts	25,433	-	-	-	-	-	-	-
Total receipts	6,320,780	254,525	301,349	624,733	587,197	37,707	168,562	-
Disbursements:								
Instruction	3,996,747	-	-	-	-	-	-	368,970
Support services	1,686,669	-	-	607,670	350,693	-	-	103,670
Noninstructional services	121,941	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	(5,759)	-	-	394,478	-
Debt service	-	241,236	266,784	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	5,805,357	241,236	266,784	601,911	350,693	-	394,478	472,640
Excess (deficiency) of receipts over disbursements	515,423	13,289	34,565	22,822	236,504	37,707	(225,916)	(472,640)
Other financing sources (uses):								
Sale of capital assets	6,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	200,000	250,000
Transfers out	(250,000)	-	-	-	(200,000)	-	-	-
Total other financing sources (uses)	(244,000)	-	-	-	(200,000)	-	200,000	250,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	271,423	13,289	34,565	22,822	36,504	37,707	(25,916)	(222,640)
Cash and investments - ending	\$ 2,089,856	\$ 203,838	\$ 62,496	\$ 79,253	\$ 397,720	\$ 37,707	\$ 974,999	\$ 1,193,310

LOGOOTEЕ 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

	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Resource Activity	Engineering Grant (Martin)	Phi Kappa Delta - Professional Development
Cash and investments - beginning	\$ -	\$ 20,648	\$ 181,712	\$ -	\$ 5,306	\$ 2,825	\$ 1,653	\$ 4,362
Receipts:								
Local sources	-	207,105	91,987	103	-	-	-	-
Intermediate sources	-	-	-	-	300	-	-	-
State sources	-	5,756	28,121	-	-	-	-	-
Federal sources	-	197,732	-	-	-	-	-	-
Other receipts	-	352	475	-	-	-	1	-
Total receipts	-	410,945	120,583	103	300	-	1	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	92,917	-	-	-	-	377
Noninstructional services	-	422,365	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	422,365	92,917	-	-	-	-	377
Excess (deficiency) of receipts over disbursements	-	(11,420)	27,666	103	300	-	1	(377)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,420)	27,666	103	300	-	1	(377)
Cash and investments - ending	\$ -	\$ 9,228	\$ 209,378	\$ 103	\$ 5,606	\$ 2,825	\$ 1,654	\$ 3,985

LOOGOOTEE 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

	MCCF Grant R. Bough	MCCF Grant S. Wagler	MCCF Grant H. Kidwell	Shopko Donation High School	Shopko Donation JH/Intermediate	Shopko Donation Elementary School	Bully Education Grant/ N. Wade	MCCF Grant N. Bays
Cash and investments - beginning	\$ 10	\$ 1	\$ 1	\$ 667	\$ 667	\$ 120	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	550	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	550	-
Disbursements:								
Instruction	10	1	1	417	667	120	550	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10	1	1	417	667	120	550	-
Excess (deficiency) of receipts over disbursements	(10)	(1)	(1)	(417)	(667)	(120)	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10)	(1)	(1)	(417)	(667)	(120)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ -

LOGOOTEЕ 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

	MCCF Grant B. Buchta	MCCF Grant T. Smith	MCCF Grant T. Walton	Martin Co LCC Substance Abuse	Get Schooled Foundation	In Youth Institute Grant 2014	In Youth Institute Grant 2015	Peers Grant 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	551	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	551	-	-
Disbursements:								
Instruction	-	-	-	-	-	551	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	551	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34

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

	Hoosier Uplands Scholarship	American Student Institute Grant	Formative Assessment Grant	High Ability Grant 2012-13	High Ability Grant 2015-2016	High Ability Grant 2014-2015	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ 983	\$ -	\$ 7,491	\$ -	\$ -	\$ 257
Receipts:							
Local sources	1,300	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	28,028	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	1,300	-	-	-	-	28,028	-
Disbursements:							
Instruction	-	-	-	3,066	-	27,775	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	1,300	-	-	-	-	-	-
Total disbursements	1,300	-	-	3,066	-	27,775	-
Excess (deficiency) of receipts over disbursements	-	-	-	(3,066)	-	253	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(3,066)	-	253	-
Cash and investments - ending	\$ -	\$ 983	\$ -	\$ 4,425	\$ -	\$ 253	\$ 257

LOGOOTEER 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

	School Technology	Performance Based Awards	Tobacco Prevention	Information Literacy Skills	Project Lead The Way	Title I 2013-2014	Title I 2014-2015
Cash and investments - beginning	\$ (1,349)	\$ -	\$ 500	\$ 98	\$ 709	\$ (10,449)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	5,409	49,733	-	-	-	-	-
Federal sources	-	-	-	-	-	29,667	76,593
Other receipts	-	-	-	-	-	-	-
Total receipts	5,409	49,733	-	-	-	29,667	76,593
Disbursements:							
Instruction	-	48,023	-	-	659	19,218	81,864
Support services	6,377	-	-	-	-	-	2,435
Noninstructional services	-	-	-	-	-	-	497
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	6,377	48,023	-	-	659	19,218	84,796
Excess (deficiency) of receipts over disbursements	(968)	1,710	-	-	(659)	10,449	(8,203)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(968)	1,710	-	-	(659)	10,449	(8,203)
Cash and investments - ending	\$ (2,317)	\$ 1,710	\$ 500	\$ 98	\$ 50	\$ -	\$ (8,203)

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

	Title I 2015-2016	Title II Part A 2013-14	Title II Part A 2014-15	Title II Part A 2015-16	Prepaid Food	Clearing Accounts - Payroll	Totals
Cash and investments - beginning	\$ -	\$ (3,517)	\$ -	\$ -	\$ -	\$ 280	\$ 5,084,434
Receipts:							
Local sources	-	-	-	-	-	-	2,316,044
Intermediate sources	-	-	-	-	-	-	947
State sources	-	-	-	-	-	-	5,996,501
Federal sources	-	3,506	34,346	-	-	-	716,715
Other receipts	-	-	-	-	-	1,139,414	1,165,675
Total receipts	-	3,506	34,346	-	-	1,139,414	10,195,882
Disbursements:							
Instruction	-	(11)	34,346	-	-	-	4,582,974
Support services	-	-	-	-	-	-	2,850,808
Noninstructional services	-	-	-	-	-	-	544,803
Facilities acquisition and construction	-	-	-	-	-	-	388,719
Debt service	-	-	-	-	-	-	508,020
Nonprogrammed charges	-	-	-	-	-	1,139,657	1,140,957
Total disbursements	-	(11)	34,346	-	-	1,139,657	10,016,281
Excess (deficiency) of receipts over disbursements	-	3,517	-	-	-	(243)	179,601
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	6,000
Transfers in	-	-	-	-	-	-	450,000
Transfers out	-	-	-	-	-	-	(450,000)
Total other financing sources (uses)	-	-	-	-	-	-	6,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,517	-	-	-	(243)	185,601
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37	\$ 5,270,035

LOGOOTEE 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	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 2,089,856	\$ 203,838	\$ 62,496	\$ 79,253	\$ 397,720	\$ 37,707	\$ 974,999	\$ 1,193,310
Receipts:								
Local sources	55,771	380,655	303,421	602,502	487,651	61,232	103,813	-
Intermediate sources	288	-	-	-	-	-	-	-
State sources	5,338,806	-	-	-	-	-	-	-
Federal sources	329,391	-	-	-	-	-	-	6,602
Other receipts	1,310	-	-	-	215	-	-	-
Total receipts	5,725,566	380,655	303,421	602,502	487,866	61,232	103,813	6,602
Disbursements:								
Instruction	4,071,024	-	-	-	-	-	-	337,597
Support services	1,583,253	-	-	496,812	403,655	-	-	53,000
Noninstructional services	123,198	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	4,012	-	-	149,817	-
Debt service	-	241,236	130,460	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	5,777,475	241,236	130,460	500,824	403,655	-	149,817	390,597
Excess (deficiency) of receipts over disbursements	(51,909)	139,419	172,961	101,678	84,211	61,232	(46,004)	(383,995)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	103	-	200,000	-
Transfers out	-	-	-	-	(200,000)	-	-	-
Total other financing sources (uses)	-	-	-	-	(199,897)	-	200,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(51,909)	139,419	172,961	101,678	(115,686)	61,232	153,996	(383,995)
Cash and investments - ending	\$ 2,037,947	\$ 343,257	\$ 235,457	\$ 180,931	\$ 282,034	\$ 98,939	\$ 1,128,995	\$ 809,315

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

	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Resource Activity	Engineering Grant (Martin)	Phi Kappa Delta - Professional Development
Cash and investments - beginning	\$ -	\$ 9,228	\$ 209,378	\$ 103	\$ 5,606	\$ 2,825	\$ 1,654	\$ 3,985
Receipts:								
Local sources	-	195,516	78,857	-	-	-	-	-
Intermediate sources	-	-	-	-	131	-	-	-
State sources	-	5,464	27,531	-	-	-	-	-
Federal sources	-	217,246	-	-	-	-	-	-
Other receipts	-	451	475	-	-	-	-	-
Total receipts	-	418,677	106,863	-	131	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	58,870	-	-	-	-	-
Noninstructional services	-	400,676	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	400,676	58,870	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	18,001	47,993	-	131	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	890,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(103)	-	-	-	-
Total other financing sources (uses)	890,000	-	-	(103)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	890,000	18,001	47,993	(103)	131	-	-	-
Cash and investments - ending	\$ 890,000	\$ 27,229	\$ 257,371	\$ -	\$ 5,737	\$ 2,825	\$ 1,654	\$ 3,985

LOGOOTEЕ 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

	MCCF Grant R. Bough	MCCF Grant S. Wagler	MCCF Grant H. Kidwell	Shopko Donation High School	Shopko Donation JH/Intermediate	Shopko Donation Elementary School	Bully Education Grant/ N. Wade	MCCF Grant N. Bays
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	300
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	300
Disbursements:								
Instruction	-	-	-	-	-	-	-	251
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	251
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	49
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	-	-	-	-	-	-	-	49
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 49

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

	MCCF Grant B. Buchta	MCCF Grant T. Smith	MCCF Grant T. Walton	Martin Co LCC Substance Abuse	Get Schooled Foundation	In Youth Institute Grant 2014	In Youth Institute Grant 2015	Peers Grant 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
Receipts:								
Local sources	160	200	200	1,000	500	-	-	-
Intermediate sources	-	-	-	-	-	-	686	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	160	200	200	1,000	500	-	686	-
Disbursements:								
Instruction	160	200	200	-	-	-	686	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	160	200	200	-	-	-	686	-
Excess (deficiency) of receipts over disbursements	-	-	-	1,000	500	-	-	-
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	-	-	-	1,000	500	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,000	\$ 500	\$ -	\$ -	\$ 34

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

	Hoosier Uplands Scholarship	American Student Institute Grant	Formative Assessment Grant	High Ability Grant 2012-13	High Ability Grant 2015-2016	High Ability Grant 2014-2015	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ 983	\$ -	\$ 4,425	\$ -	\$ 253	\$ 257
Receipts:							
Local sources	1,300	-	-	-	725	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	12,378	-	28,410	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	1,300	-	12,378	-	29,135	-	-
Disbursements:							
Instruction	-	-	-	-	25,037	253	-
Support services	-	-	9,880	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	1,300	-	-	-	-	-	-
Total disbursements	1,300	-	9,880	-	25,037	253	-
Excess (deficiency) of receipts over disbursements	-	-	2,498	-	4,098	(253)	-
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	-	-	2,498	-	4,098	(253)	-
Cash and investments - ending	\$ -	\$ 983	\$ 2,498	\$ 4,425	\$ 4,098	\$ -	\$ 257

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

	School Technology	Performance Based Awards	Tobacco Prevention	Information Literacy Skills	Project Lead The Way	Title I 2013-2014	Title I 2014-2015
Cash and investments - beginning	\$ (2,317)	\$ 1,710	\$ 500	\$ 98	\$ 50	\$ -	\$ (8,203)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	6,564	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	42,375
Other receipts	-	-	-	-	-	-	-
Total receipts	6,564	-	-	-	-	-	42,375
Disbursements:							
Instruction	-	1,710	-	-	-	-	27,810
Support services	8,184	-	-	-	-	-	6,133
Noninstructional services	-	-	-	-	-	-	229
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	8,184	1,710	-	-	-	-	34,172
Excess (deficiency) of receipts over disbursements	(1,620)	(1,710)	-	-	-	-	8,203
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	(1,620)	(1,710)	-	-	-	-	8,203
Cash and investments - ending	\$ (3,937)	\$ -	\$ 500	\$ 98	\$ 50	\$ -	\$ -

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

	Title I 2015-2016	Title II Part A 2013-14	Title II Part A 2014-15	Title II Part A 2015-16	Prepaid Food	Clearing Accounts - Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37	\$ 5,270,035
Receipts:							
Local sources	-	-	-	-	-	-	2,273,803
Intermediate sources	-	-	-	-	-	-	1,105
State sources	-	-	-	-	-	-	5,419,153
Federal sources	113,228	-	-	30,397	-	-	739,239
Other receipts	-	-	-	-	(3,166)	1,150,061	1,149,346
Total receipts	113,228	-	-	30,397	(3,166)	1,150,061	9,582,646
Disbursements:							
Instruction	114,498	-	-	29,024	-	-	4,608,450
Support services	10,082	-	-	1,373	-	-	2,631,242
Noninstructional services	157	-	-	-	-	-	524,260
Facilities acquisition and construction	-	-	-	-	-	-	153,829
Debt service	-	-	-	-	-	-	371,696
Nonprogrammed charges	-	-	-	-	-	1,150,061	1,151,361
Total disbursements	124,737	-	-	30,397	-	1,150,061	9,440,838
Excess (deficiency) of receipts over disbursements	(11,509)	-	-	-	(3,166)	-	141,808
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	890,000
Transfers in	-	-	-	-	-	-	200,103
Transfers out	-	-	-	-	-	-	(200,103)
Total other financing sources (uses)	-	-	-	-	-	-	890,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,509)	-	-	-	(3,166)	-	1,031,808
Cash and investments - ending	\$ (11,509)	\$ -	\$ -	\$ -	\$ (3,166)	\$ 37	\$ 6,301,843

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Loogootee School Building Corporation	Roof Replacement - Series 2015 Mortgage Bonds	\$ 318,500	6/30/2016	6/30/2025
Total governmental activities		<u>318,500</u>		
Total of annual lease payments		<u>\$ 318,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement/Severance Bond	\$ 1,905,000	\$ 264,754
Notes and loans payable	Common School Loans	<u>2,059,153</u>	<u>241,236</u>
Total governmental activities		<u>3,964,153</u>	<u>505,990</u>
Totals		<u>\$ 3,964,153</u>	<u>\$ 505,990</u>

LOGOOTE 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.

	Ending Balance
Governmental activities:	
Infrastructure	\$ 27,531
Buildings	8,287,987
Improvements other than buildings	496,899
Machinery, equipment, and vehicles	<u>663,872</u>
Total governmental activities	<u>9,476,289</u>
Total capital assets	<u><u>\$ 9,476,289</u></u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://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 LOOGOOTEE COMMUNITY SCHOOL  
CORPORATION, MARTIN COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Loogootee Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003 and 2016-004. 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**

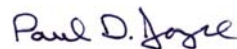
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over 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.

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 2016-002, 2016-003, and 2016-004 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

March 5, 2018

(This page intentionally left blank.)

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.

LOGOOTE 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	Indiana Department Of Education						
School Breakfast Program		10.553	FY 14-15 FY 15-16	\$ - -	\$ 37,764 -	\$ - -	\$ - 47,733
Total - School Breakfast Program				-	37,764	-	47,733
National School Lunch Program		10.555	FY 14-15 FY 15-16	- -	159,968 -	- -	- 169,513
National School Lunch Program - Commodities		10.555	FY 14-15 FY 15-16	- -	27,645 -	- -	- 20,062
Total - National School Lunch Program				-	187,613	-	189,575
Total - Child Nutrition Cluster				-	225,377	-	237,308
Total - Department of Agriculture				-	225,377	-	237,308
<u>Department of Defense</u>							
Department of Defense Impact Aid	Direct Grant	12.558	FY 14-15 FY 15-16	- -	17,442 -	- -	- 11,792
Total - Department of Defense				-	17,442	-	11,792
<u>Department of Education</u>							
Special Education Cluster (IDEA)	Indiana Department Of Education	84.027					
Special Education_Grants To States			14213-009-PN01 14214-009-PN01 14215-009-PN01 14216-007-PN01 99914-009-TA01	- - - - -	3,386 84,304 125,485 - 2,307	- - - - -	- 2,901 95,152 110,490 1,359
Total - Special Education_Grants to States				-	215,482	-	209,902

LOGOOTE 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
Special Education_Preschool Grants	Indiana Department Of Education	84.173	45715-009-PN01 45716-007-PN01	- -	9,846 -	- -	114 9,917
Total - Special Education_Preschool Grants				-	9,846	-	10,031
Total - Special Education Cluster (IDEA)				-	225,328	-	219,933
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	FY 13-14 FY 14-15 FY 15-16	- - -	31,162 75,097 -	- - -	- 64,753 90,850
Total - Title I Grants to Local Educational Agencies				-	106,259	-	155,603
Impact Aid	Direct Grant	84.041	S041A-2010-1617 S041A-2011-1617 S041A-2012-1617 S041A-2013-1617 S041A-2015-1617 S041A-2016-1617 S041B-2011-1616 S041B-2012-1616 S041B-2013-1616 S041B-2014-1616 S041B-2015-1616 S041B-2016-1616	- - - - - - - - - - - -	56,912 14,483 - - 252,547 - 484 4,363 - - 28,641 -	- - - - - - - - - - - -	11,082 4,318 18,873 3,018 - 252,547 - - 2,466 3,584 - 28,313
Total - Impact Aid				-	357,430	-	324,201
Improving Teacher Quality State Grants	Indiana Department Of Education	84.367	FY 13-14 FY 14-15 FY 15-16	- - -	3,506 34,346 -	- - -	- - 30,397
Total - Improving Teacher Quality State Grants				-	37,852	-	30,397
Total - Department of Education				-	395,282	-	354,598
Total federal awards expended				\$ -	\$ 969,688	\$ -	\$ 979,234

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

LOGOOTEER 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 the Daviess-Martin Special Education Cooperative (Cooperative). The Cooperative operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement of the School Corporation. This activity is reported on the financial statement of the Cooperative.

LOGOOTEЕ 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 weakness 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
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
84.041	Child Nutrition Cluster Impact Aid

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

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Finding**

**FINDING 2016-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding was 2014-001.

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

*Condition*

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control.

*Context*

During the audit of the SEFA, the following errors were identified: commodities, totaling \$47,707, were not reported for the National School Lunch Program; federal expenditures were overstated \$25,566 in total for three grants; and federal expenditures were understated \$23,873 for two grants that were reported. The two direct grants totaling \$710,865 were omitted. This resulted in a net understatement of the SEFA totaling \$756,879. In addition, two grants were incorrectly reported as being part of a cluster.

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.

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:

"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:

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

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

*Cause*

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

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA to ensure accurate reporting of federal awards.

*Views of Responsible Officials*

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

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

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2016-002**

Subject: Child Nutrition Cluster - Reporting and National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity  
Federal Agency: Department of Agriculture  
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 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Reporting, Special Tests and Provisions - Paid Lunch Equity  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-003.

*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 following compliance requirements: Reporting and Special Tests and Provisions - Paid Lunch Equity.

*Reporting*

Adequate internal controls were not in place over the Reporting compliance requirement to ensure the accuracy of the reports filed. The Food Service Director had sole responsibility for preparing and submitting the monthly Sponsor Claims (claims for reimbursement) and the Annual Financial Reports. There was no segregation of duties, such as an oversight, review, or approval process.

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Only)*

Adequate internal controls were not in place over the Special Tests and Provisions - Paid Lunch Equity compliance requirement. The Food Service Director had the sole responsibility for preparation of the Paid Lunch Equity calculation with no evidence of an independent oversight, review, or approval process to ensure the accuracy of the calculation performed.

*Context*

Controls did not exist over the compliance requirements listed above during the audit period.

*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. . . ."

LOGOOTE 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). . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls, including segregation of duties, that would have ensured that the School Corporation complied with the compliance requirements listed above.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2016-003**

Subject: Child Nutrition Cluster - Eligibility

Federal Agency: Department of Agriculture

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 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Other Matters

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

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-004.

*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 Eligibility compliance requirement.

No procedures existed to ensure the accuracy of the calculations performed for free and reduced price applications. There was no evidence of an independent review of the poverty information entered into the Skyward School Management Software (Skyward) program. Skyward automatically calculated eligibility based upon the information from the applications that was entered into the program by the Food Service Director. There was no evidence that any of the calculations were reviewed to ensure that the Food Service Director was correctly entering applicant information into Skyward.

There was no process in place to ensure that the eligibility determination section of the applications was complete to substantiate the eligibility determination made. Three of the forty applications tested had missing information such as signature of the determining official, reason the application was denied benefits, and the entire eligibility calculation.

Additionally, there was no process in place to ensure that the required notifications were made to applicants who were denied benefits. There were two applications that were denied benefits of the forty applications tested. The School Corporation did not provide written notification to those applicants which was to include information on the appeals process. All such notifications were made by phone during the audit period.

*Context*

Internal control issues were systemic, occurring throughout the audit period.

*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). . . ."

LOGOOTE Community School Corporation  
Schedule of Findings and Questioned Costs  
(Continued)

7 CFR 245.6(e) states:

*"Recordkeeping.* The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain, except that if audit findings have not been resolved, the documentation must be maintained as long as required for resolution of the issues raised by the audit."

7 CFR 245.6(c)(7) states:

*"Denied applications and the notice of denial.* When the application furnished by a family is not complete or does not meet the eligibility criteria for free or reduced price benefits, the local educational agency must document and retain the reasons for ineligibility and must retain the denied application. In addition, the local educational agency must promptly provide written notice to each family denied benefits. At a minimum, this notice shall include:

- (i) The reason for the denial of benefits, e.g. income in excess of allowable limits or incomplete application;
- (ii) Notification of the right to appeal;
- (iii) Instructions on how to appeal; and
- (iv) A statement reminding parents that they may reapply for free or reduced benefits at any time during the school year."

*Cause*

Management of the School Corporation had not developed a system of internal controls, including segregation of duties, that would have ensured that the School Corporation complied with the compliance requirement listed above.

*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, including segregation of duties, related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

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

LOGOOTE Community School Corporation  
Schedule of Findings and Questioned Costs  
(Continued)

**FINDING 2016-004**

Subject: Child Nutrition Cluster - Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)  
Federal Agency: Department of Agriculture  
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 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-006.

*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 following compliance requirements: Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

There was no segregation of duties documented, such as an oversight, review, or approval process, or other compensating control over the verifications performed or the preparation of the School Food Authority (SFA) Verification Collection Reports that were filed.

The School Food Authority (SFA) Verification Collection Report for Program Year 2014-2015 indicated that the School Corporation was required to verify four applications. The Results of Verification by Original Benefit Type indicated that all four applications were originally approved as FREE - Categorically Eligible based upon SNAP/TANF. However, for three of these applications, the original determination was actually based upon the applicant's income. Additionally, there was no evidence to indicate that a fourth verification was ever completed.

The School Corporation underreported total applications on its School Food Authority (SFA) Verification Collection Report for Program Year 2015-2016. This report indicated that 97 applications were submitted through October 1, 2015. However, based upon the applications submitted for audit, the total was actually 146. By underreporting total applications, the School Corporation only verified three applications when it was required to verify four. The School Corporation reported that all three applications were verified through Direct Verification and then subsequently reported that each was verified through traditional verification by obtaining documentation from the household. There was no evidence to indicate that direct verifications were ever performed. Additionally, per the report, all three verifications resulted in no change in benefits received. However, for one of the verifications, there was no evidence that documentation was received from the household to support the no change determination.

*Context*

The internal controls and compliance issues were a systemic problem throughout the audit period as no controls existed and noncompliance was noted with verifications performed and the reports filed for both years.

LOGOOTE 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). . . ."

7 CFR 245.6a states in part:

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

(h) *Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . ."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance 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 requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

*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.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal Year 2014

Pass-Through Entity: Indiana Department Of Education

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director

Contact Phone Number: (812) 295-2595 Ext. 488

The school is in the process of implementing additional control procedures. More cafeteria employees are being trained on procedures, so that duties can be segregated. This will allow employees to check each other for errors.

Sandra LaMar  
Signature

Cap. Sec.  
Title

1-23-18  
Date



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal Year 2014

Pass-Through Entity: Indiana Department Of Education

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director

Contact Phone Number: (812) 295-2595 Ext. 488

Deputy Treasurer, Brenda Mathies, reviewed applications and determined if more information was needed. The school is in the process of implementing additional control and other procedures to ensure the accuracy of the calculations performed for free/reduced price applications.

Sandra LaMar  
Signature

Corp. Treasurer  
Title

1-23-18  
Date



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005

Fiscal Year 2014

Pass-Through Entity: Indiana Department Of Education

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director

Contact Phone Number: (812) 295-2595 Ext. 488

Patti Sander, Food Service Director, implemented a better system for financial reporting and record keeping.

Sandra LaMar  
Signature

Corp. Treas.  
Title

1-23-18  
Date



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-006

Fiscal Year 2014

Pass-Through Entity: Indiana Department Of Education

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director

Contact Phone Number: (812) 295-2595 Ext. 488

The school is in the process of implementing additional control and other procedures to ensure the accuracy of the verification process and subsequent reporting to the State.

Patti Sander, Food Service Director and Jay Henninger are working together to improve the verification of Free and Reduced Price Applications through Skyward.

Sandra LaMar  
Signature

Cap. Treas.  
Title

1-23-18  
Date



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-007

Fiscal Year 2014

Pass-Through Entity: Indiana Department Of Education

Contact Person Responsible for Corrective Action: Patti Sander, Food Service Director

Contact Phone Number: (812) 295-2595 Ext. 488

Patti Sander, Food Service Director, worked with the Dept. Of Education on calculating paid lunch equity. This has been done yearly to be in compliance with lunch price adjustments.

Sandra LaMar  
Signature

Cap. Sander  
Title

1-23-18  
Date



CORRECTIVE ACTION PLAN

**FINDING 2016-001**

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

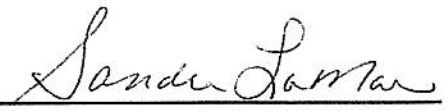
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

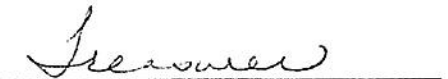
The Treasurer has worked with the SBOA Field Examiner and will implement better internal controls when preparing the Schedule of Expenditures of Federal Awards.

The expenditures will be reported to match the receipts. Commodities for the National School Lunch Program will be reported.

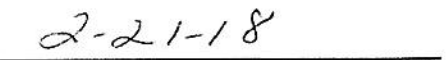
Anticipated Completion Date: Immediately



Signature



Title



Date



CORRECTIVE ACTION PLAN

**FINDING 2016-002**

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

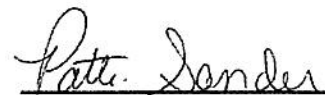
Views of Responsible Official: We concur with the finding.

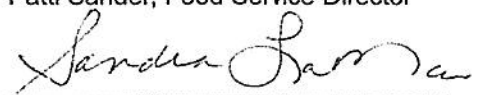
Description of Corrective Action Plan:

The Food Service Director will prepare the monthly Sponsor Claims, Annual Financial Reports and prepare the Paid Lunch Equity calculation. Before submission, the reports, claims and calculations will be checked for accuracy by the Central Office or the Aramark supervisor.

Aramark was contracted at the beginning of the 2016-2017 school year to supervise the cafeteria.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
Patti Sander, Food Service Director

  
\_\_\_\_\_  
Sandra LaMar, Treasurer

3-1-18

\_\_\_\_\_  
Date



CORRECTIVE ACTION PLAN

**FINDING 2016-003**

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


Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

All applications will be reviewed by more than one person to assure that the applications are filled out properly and entered into Skyward accurately. Letters will be mailed to applicants who are denied benefits. Aramark was contracted at the beginning of the 2016-2017 school year to supervise the cafeteria.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
Patti Sander, Food Service Director

  
\_\_\_\_\_  
Sandra LaMar, Treasurer

2-21-18  
\_\_\_\_\_  
Date



CORRECTIVE ACTION PLAN

**FINDING 2016-004**

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


Views of Responsible Official: We concur with the finding.

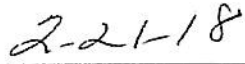
Description of Corrective Action Plan:

The school corporation will develop a system of internal controls that will ensure compliance with the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Application. All applications and reports will be reviewed by more than the Food Service Director. Aramark was contracted at the beginning of the 2016-2017 school year to supervise the cafeteria.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
Patti Sander, Food Service Director

  
\_\_\_\_\_  
Sandra LaMar, Treasurer

  
\_\_\_\_\_  
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/>.