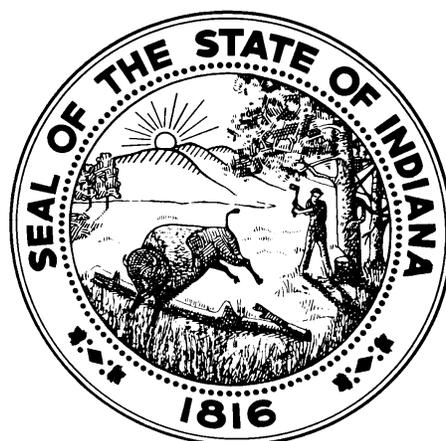


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

METROPOLITAN SCHOOL
DISTRICT OF WARREN COUNTY
WARREN COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

04/16/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nanette Ware	07-01-06 to 06-30-09
Superintendent of Schools	Terry K. Roderick Ralph Shrader	07-01-06 to 06-30-08 07-01-08 to 06-30-09
President of the School Board	Andy Briles Gary Greenwood Steve Magner	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF WARREN COUNTY, WARREN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Warren County (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated March 30, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 30, 2009



STATE OF INDIANA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF WARREN COUNTY, WARREN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Warren County (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 30, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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 statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated March 30, 2009.

This report is intended solely for the information and use of the School Corporation's management, school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 30, 2009

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 6,253,627	\$ -	\$ 71,901	\$ (6,181,726)
Support services	5,384,713	367,641	191,379	(4,825,693)
Community services	751,198	-	-	(751,198)
Nonprogrammed charges	384,206	-	-	(384,206)
Debt service	874,250	-	-	(874,250)
Total governmental activities	<u>\$ 13,647,994</u>	<u>\$ 367,641</u>	<u>\$ 263,280</u>	<u>(13,017,073)</u>
General receipts:				
Property taxes				3,387,103
Other local sources				783,925
State aid				5,011,011
Grants and contributions not restricted to specific programs				1,198,224
Sale of property, adjustments, and refunds				404,472
Investment earnings				194,696
Total general receipts, interfund loans, transfers, and special items				<u>10,979,431</u>
Change in net assets				(2,037,642)
Net assets - beginning				<u>3,741,097</u>
Net assets - ending				<u>\$ 1,703,455</u>
<u>Assets</u>				
Cash and investments				\$ 1,655,757
Restricted assets:				
Cash and investments				<u>47,698</u>
Total assets				<u>\$ 1,703,455</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 47,698
Unrestricted				<u>1,655,757</u>
Total net assets				<u>\$ 1,703,455</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,491,304	\$ -	\$ 139,422	\$ (6,351,882)
Support services	5,549,741	385,868	201,599	(4,962,274)
Community services	390,157	-	-	(390,157)
Nonprogrammed charges	479,556	-	-	(479,556)
Debt service	872,250	-	-	(872,250)
	<u>\$ 13,783,008</u>	<u>\$ 385,868</u>	<u>\$ 341,021</u>	<u>(13,056,119)</u>
Total governmental activities				
General receipts:				
Property taxes				3,952,614
Other local sources				1,126,657
State aid				4,806,648
Bonds and loans				1,500,000
Grants and contributions not restricted to specific programs				1,115,979
Sale of property, adjustments, and refunds				217,890
Investment earnings				<u>143,336</u>
Total general receipts, interfund loans, transfers, and special items				<u>12,863,124</u>
Change in net assets				(192,995)
Net assets - beginning				<u>1,703,455</u>
Net assets - ending				<u>\$ 1,510,460</u>
<u>Assets</u>				
Cash and investments				\$ 1,506,027
Restricted assets:				
Cash and investments				<u>4,433</u>
Total assets				<u>\$ 1,510,460</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,433
Unrestricted				<u>1,506,027</u>
Total net assets				<u>\$ 1,510,460</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Cape Grant	Cape Grant Interest	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 1,898,569	\$ 469,769	\$ -	\$ 140,588	\$ 660,409	\$ 716,168	\$ 143,306	\$ 702,380	\$ 4,731,189
Intermediate sources	-	-	-	-	-	-	-	2,175	2,175
State sources	5,083,091	-	-	-	-	-	-	143,502	5,226,593
Federal sources	-	-	-	-	-	-	-	1,245,922	1,245,922
Sale of property, adjustments and refunds	1,077	1,039	-	1,751	-	-	-	400,606	404,473
Interfund loans	-	-	-	-	-	210,893	-	-	210,893
Total receipts	6,982,737	470,808	-	142,339	660,409	927,061	143,306	2,494,585	11,821,245
Disbursements:									
Current:									
Instruction	5,196,509	-	77,780	13,516	-	-	-	965,822	6,253,627
Support services	2,175,183	695,208	36,378	28,679	-	1,165,634	173,968	1,109,663	5,384,713
Community services	129,791	-	19,165	57,855	-	-	-	544,387	751,198
Nonprogrammed charges	304,504	-	-	-	-	-	-	79,702	384,206
Debt services	-	-	-	-	874,250	-	-	-	874,250
Interfund loans	-	-	-	210,893	-	-	-	-	210,893
Total disbursements	7,805,987	695,208	133,323	310,943	874,250	1,165,634	173,968	2,699,574	13,858,887
Deficiency of receipts over disbursements	(823,250)	(224,400)	(133,323)	(168,604)	(213,841)	(238,573)	(30,662)	(204,989)	(2,037,642)
Cash and investments - beginning	1,218,387	289,496	679,392	199,285	261,539	238,573	46,748	807,677	3,741,097
Cash and investments - ending	<u>\$ 395,137</u>	<u>\$ 65,096</u>	<u>\$ 546,069</u>	<u>\$ 30,681</u>	<u>\$ 47,698</u>	<u>\$ -</u>	<u>\$ 16,086</u>	<u>\$ 602,688</u>	<u>1,703,455</u>
Net assets of governmental activities									<u>\$ 1,703,455</u>
<u>Cash and Investment Assets - Ending</u>									
Cash and investments	\$ 395,137	\$ 65,096	\$ 546,069	\$ 30,681	\$ -	\$ -	\$ 16,086	\$ 602,688	\$ 1,655,757
Restricted assets:									
Cash and investments	-	-	-	-	47,698	-	-	-	47,698
Total cash and investment assets - ending	<u>\$ 395,137</u>	<u>\$ 65,096</u>	<u>\$ 546,069</u>	<u>\$ 30,681</u>	<u>\$ 47,698</u>	<u>\$ -</u>	<u>\$ 16,086</u>	<u>\$ 602,688</u>	<u>\$ 1,703,455</u>
<u>Cash and Investment Fund Balance - Ending</u>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 47,698	\$ -	\$ -	\$ -	\$ 47,698
Unrestricted	395,137	65,096	546,069	30,681	-	-	16,086	602,688	1,655,757
Total cash and investment fund balance - ending	<u>\$ 395,137</u>	<u>\$ 65,096</u>	<u>\$ 546,069</u>	<u>\$ 30,681</u>	<u>\$ 47,698</u>	<u>\$ -</u>	<u>\$ 16,086</u>	<u>\$ 602,688</u>	<u>\$ 1,703,455</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Cape Grant	Cape Grant Interest	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 2,505,130	\$ 623,718	\$ -	\$ 96,097	\$ 663,985	\$ 921,033	\$ 183,938	\$ 611,645	\$ 5,605,546
Intermediate sources	2,103	-	-	-	-	-	-	825	2,928
State sources	4,934,900	-	-	-	-	-	-	142,322	5,077,222
Federal sources	-	-	-	-	-	-	-	1,186,427	1,186,427
Bonds and loans	875,000	150,000	-	-	165,000	310,000	-	-	1,500,000
Sale of property, adjustments and refunds	36,652	3,059	-	33,803	-	-	-	144,376	217,890
Interfund loans	-	-	-	419,047	-	208,154	-	-	627,201
Total receipts	8,353,785	776,777	-	548,947	828,985	1,439,187	183,938	2,085,595	14,217,214
Disbursements:									
Current:									
Instruction	5,282,416	-	76,072	5,930	-	-	-	1,126,886	6,491,304
Support services	2,465,653	837,379	59,029	62,994	-	1,017,401	193,691	913,594	5,549,741
Community services	135,712	-	16,893	67,750	-	-	-	169,802	390,157
Nonprogrammed charges	408,345	-	-	-	-	-	-	71,211	479,556
Debt services	-	-	-	-	872,250	-	-	-	872,250
Interfund loans	-	-	-	208,154	-	419,047	-	-	627,201
Total disbursements	8,292,126	837,379	151,994	344,828	872,250	1,436,448	193,691	2,281,493	14,410,209
Excess (deficiency) of receipts over disbursements	61,659	(60,602)	(151,994)	204,119	(43,265)	2,739	(9,753)	(195,898)	(192,995)
Cash and investments - beginning	395,137	65,096	546,069	30,681	47,698	-	16,086	602,688	1,703,455
Cash and investments - ending	<u>\$ 456,796</u>	<u>\$ 4,494</u>	<u>\$ 394,075</u>	<u>\$ 234,800</u>	<u>\$ 4,433</u>	<u>\$ 2,739</u>	<u>\$ 6,333</u>	<u>\$ 406,790</u>	<u>\$ 1,510,460</u>
<u>Cash and Investment Assets - Ending</u>									
Cash and investments	\$ 456,796	\$ 4,494	\$ 394,075	\$ 234,800	\$ -	\$ 2,739	\$ 6,333	\$ 406,790	\$ 1,506,027
Restricted assets:									
Cash and investments	-	-	-	-	4,433	-	-	-	4,433
Total cash and investment assets - ending	<u>\$ 456,796</u>	<u>\$ 4,494</u>	<u>\$ 394,075</u>	<u>\$ 234,800</u>	<u>\$ 4,433</u>	<u>\$ 2,739</u>	<u>\$ 6,333</u>	<u>\$ 406,790</u>	<u>\$ 1,510,460</u>
<u>Cash and Investment Fund Balance - Ending</u>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 4,433	\$ -	\$ -	\$ -	\$ 4,433
Unrestricted	456,796	4,494	394,075	234,800	-	2,739	6,333	406,790	1,506,027
Total cash and investment fund balance - ending	<u>\$ 456,796</u>	<u>\$ 4,494</u>	<u>\$ 394,075</u>	<u>\$ 234,800</u>	<u>\$ 4,433</u>	<u>\$ 2,739</u>	<u>\$ 6,333</u>	<u>\$ 406,790</u>	<u>\$ 1,510,460</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 133,272
Investment earnings:	
Interest	5,592
Total additions	138,864
Deductions:	
Administrative and general	185,935
Deficiency of total additions over total deductions	(47,071)
Cash and investment fund balance - beginning	170,256
Cash and investment fund balance - ending	\$ 123,185
Net assets:	
Cash and investments	\$ 123,185
Total net assets - cash and investment basis held in trust	\$ 123,185

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 78,872
Investment earnings:	
Interest	4,789
Total additions	83,661
Deductions:	
Administrative and general	18,872
Excess of total additions over total deductions	64,789
Cash and investment fund balance - beginning	123,185
Cash and investment fund balance - ending	\$ 187,974
Net assets:	
Cash and investments	\$ 187,974
Total net assets - cash and investment basis held in trust	\$ 187,974

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Benton Community, Cloverdale Community, Hamilton Heights, Logansport Community, Marion-Adams, North Putnam, North Vermillion, Northwestern, Rockville Community, South Vermillion Community, Southwest Parke Community, Tipton Community, Turkey Run Community, Wabash Valley Education Center, West Central Indiana Educational Service Center, and Western Boone Community School Corporations, in a joint venture to operate the Wabash Valley/West Central Indiana Insurance Trust which was created to provide a common and unified program of group insurance. The Trustee of the plan shall determine the rate of contributions to be required from each participant covered by the plan. Complete financial statements for the Wabash Valley/West Central Indiana Insurance Trust can be obtained from Logansport Community School Corporation, 2829 George Street, Logansport, IN 46947.

The School Corporation is a participant with Attica Consolidated, Covington Community, Southeast Fountain, Turkey Run Community, Crawfordsville Community, South Montgomery, North Montgomery, and North Vermillion School Corporations in the West Central Indiana Cooperative, a joint venture to provide instruction and vocational programs for handicapped children. Costs are prorated between participants. Complete financial statements for the West Central Indiana Cooperative can be obtained from the Crawfordsville Community School Corporation, 1000 Fairview Avenue, Crawfordsville, IN 47933.

The School Corporation is a participant with Attica Consolidated, Covington Community, Southeast Fountain, Crawfordsville Community, South Montgomery, North Montgomery, and North Vermillion School Corporations in the Vocational Cooperative Services Program, a joint venture to provide vocational programs for students. Administrative costs are divided equally among participants, while program costs are based upon the enrollment in the various programs. Complete financial statements for the Vocational Cooperative Services Program can be obtained from the Crawfordsville Community School Corporation, 1000 Fairview Avenue, Crawfordsville, IN 47933.

The School Corporation is a participant with Attica Consolidated and Covington Community School Corporations in a joint venture to operate the Bi-County Opportunity Center which was created to provide an alternative instructional setting for at risk students who have failed

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

academically and/or socially in grades 6-12. The School Corporations are obligated by contract to remit an equal share of the net operating cost of the program. The Bi-County Opportunity Center's continued existence depends on continued funding by the participating school corporations. Complete financial statements for the Bi-County Opportunity Center are included in this report.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The cape grant fund accounts for the receipts and disbursements related to an educational grant from Eli Lilly.

The cape grant interest fund accounts for the interest earned off the educational grant received from Eli Lilly. Expenses are for maintenance of the Learning Center located at the Williamsport-Washington Township Public Library.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the school corporation reports the following fund type:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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. Due to assessment issues the 2007 installments were due June 29 and November 13 and in 2008 the first installment was due on August 29.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments:

Fund	2006-2007	2007-2008
Bi-County Opportunity Center	\$ (12,647)	\$ (42,762)
Title I	(11,000)	(14,000)
Reading First	(505)	-
Title V, Part A	-	(966)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to these funds being reimbursement type funds. These deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, all of the School Corporation's deposits were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2008, the School Corporation did not have any investments.

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments. The School Corporation currently does not have any investments.

B. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2006	Fund Reclassification	Balance as Restated July 1, 2006
Governmental activities	\$ 2,856,389	\$ 884,708	\$ 3,741,097
Aggregate remaining fund information:			
Private-Purpose Trust	1,054,964	(884,708)	170,256

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees and Dependents

During 1992, the School Corporation joined with other governmental entities to form the Wabash Valley/West Central Indiana Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for seventeen member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees and dependents. The School Corporation pays an annual premium to the risk pool for its medical benefits to employees, retirees and dependents coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$200,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$200,000 limit.

B. Holding Corporations

The School Corporation has entered into capital leases with Warren County School Building Corporation and Seeger School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years totaled \$873,000 and \$871,000, respectively.

C. Termination Benefits

Upon retirement, certified employees are paid \$45 for each unused sick day up to a maximum of 185 days and \$225 for each year of service. Classified professional employees are paid \$10 for each unused sick day up to a maximum of 60 days. During the years ended June 30, 2007 and June 30, 2008, disbursements of \$20,475 and \$90,675, respectively, were paid for termination benefits.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment severance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 30 years of service for full benefits. Currently, 13 retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the years ended June 30, 2007 and June 30, 2008, disbursements of \$43,183 and \$65,000, respectively, were recognized for postemployment benefits.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plan

a. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 92,719
Interest on net pension obligation	(5,295)
Adjustment to annual required contribution	6,035
Annual pension cost	93,459
Contributions made	75,467
Increase in net pension obligation	17,992
Net pension obligation, beginning of year	(73,041)
Net pension obligation, end of year	\$ (55,049)

	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 54,912	123%	\$ (77,347)
	06-30-06	73,926	94%	(73,041)
	06-30-07	93,459	81%	(55,049)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

TRF 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:

Teachers' Retirement Fund
 150 West Market Street
 Indianapolis, IN 46204
 Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$143,159, \$121,965, and \$110,867, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 722,127	\$ 901,764	\$ (179,637)	80%	\$ 1,141,951	(16%)
07-01-06	848,069	1,177,231	(329,162)	72%	1,096,700	(30%)
07-01-07	932,898	1,252,873	(319,975)	74%	1,153,929	(28%)

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Vocational Horticulture	Bi-County Opportunity Center 2005/06	Bi-County Opportunity Center 2006/07	Educational License Plates
Receipts:							
Local sources	\$ 5,097	\$ 313,722	\$ 136,497	\$ -	\$ 6,831	\$ 39,400	\$ -
Intermediate sources	-	-	-	-	-	-	2,175
State sources	20,614	7,908	12,168	-	-	8,558	-
Federal sources	-	155,253	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	7,949	2,000	131,033	-
Total receipts	25,711	476,883	148,665	7,949	8,831	178,991	2,175
Disbursements:							
Current:							
Instruction	1,943	-	-	6,897	-	174,306	-
Support services	37,974	481,471	159,520	-	216	17,332	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	9,934	-	-	-	-	-	-
Total disbursements	49,851	481,471	159,520	6,897	216	191,638	-
Excess (deficiency) of receipts over disbursements	(24,140)	(4,588)	(10,855)	1,052	8,615	(12,647)	2,175
Cash and investments - beginning	55,337	116,796	95,742	203	(8,615)	-	5,098
Cash and investments - ending	\$ 31,197	\$ 112,208	\$ 84,887	\$ 1,255	\$ -	\$ (12,647)	\$ 7,273
Cash and Investment Assets - Ending							
Cash and investments	\$ 31,197	\$ 112,208	\$ 84,887	\$ 1,255	\$ -	\$ (12,647)	\$ 7,273
Total cash and investment assets - ending	\$ 31,197	\$ 112,208	\$ 84,887	\$ 1,255	\$ -	\$ (12,647)	\$ 7,273
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 31,197	\$ 112,208	\$ 84,887	\$ 1,255	\$ -	\$ (12,647)	\$ 7,273
Total cash and investment fund balance - ending	\$ 31,197	\$ 112,208	\$ 84,887	\$ 1,255	\$ -	\$ (12,647)	\$ 7,273

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Alternative Education	Safe School Haven	Early Intervention	Before/After School Childcare	Patriot Activity Center	County Drug Grant	Alternative School
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 14,165	\$ 111,425	\$ 6,691	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	56,094	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	9,947	-	-	-	500	-	-
Total receipts	9,947	-	56,094	14,165	111,925	6,691	-
Disbursements:							
Current:							
Instruction	21,345	-	55,994	808	-	-	20
Support services	-	2,465	-	-	-	6,175	-
Community services	-	-	100	13,413	109,296	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	21,345	2,465	56,094	14,221	109,296	6,175	20
Excess (deficiency) of receipts over disbursements	(11,398)	(2,465)	-	(56)	2,629	516	(20)
Cash and investments - beginning	50,629	2,465	-	1,550	(839)	5,301	20
Cash and investments - ending	\$ 39,231	\$ -	\$ -	\$ 1,494	\$ 1,790	\$ 5,817	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 39,231	\$ -	\$ -	\$ 1,494	\$ 1,790	\$ 5,817	\$ -
Total cash and investment assets - ending	\$ 39,231	\$ -	\$ -	\$ 1,494	\$ 1,790	\$ 5,817	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 39,231	\$ -	\$ -	\$ 1,494	\$ 1,790	\$ 5,817	\$ -
Total cash and investment fund balance - ending	\$ 39,231	\$ -	\$ -	\$ 1,494	\$ 1,790	\$ 5,817	\$ -

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Gifted and Talented	Step Ahead	State Medicaid	Extra- Curricular Reimbursements	Non-English Speaking Program	Technology
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 14,261	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	12,652	3,000	6,245	-	-	16,263
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	528
Total receipts	<u>12,652</u>	<u>3,000</u>	<u>6,245</u>	<u>14,261</u>	<u>-</u>	<u>16,791</u>
Disbursements:						
Current:						
Instruction	12,652	3,000	-	1,581	-	-
Support services	-	-	-	245	-	19,993
Community services	-	-	-	12,386	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>12,652</u>	<u>3,000</u>	<u>-</u>	<u>14,212</u>	<u>-</u>	<u>19,993</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>6,245</u>	<u>49</u>	<u>-</u>	<u>(3,202)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>6,308</u>	<u>(49)</u>	<u>180</u>	<u>8,532</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,553</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 5,330</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,553</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 5,330</u>
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,553</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 5,330</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,553</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 5,330</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,553</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 5,330</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Learning Center	Learning Center Fire	AAA Wireless Cyberlink	Title I 2006/07	Title I 2005/06	Title V Part A 2004/05
Receipts:						
Local sources	\$ 11,578	\$ -	\$ 15,200	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	119,962	10,074	-
Sale of property, adjustments and refunds	1,867	246,782	-	-	-	-
Total receipts	13,445	246,782	15,200	119,962	10,074	-
Disbursements:						
Current:						
Instruction	4,806	-	-	129,941	2,481	-
Support services	-	6,155	15,200	-	2,673	1,008
Community services	-	113,625	-	1,021	326	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	4,806	119,780	15,200	130,962	5,480	1,008
Excess (deficiency) of receipts over disbursements	8,639	127,002	-	(11,000)	4,594	(1,008)
Cash and investments - beginning	26,289	-	-	-	(4,594)	1,008
Cash and investments - ending	\$ 34,928	\$ 127,002	\$ -	\$ (11,000)	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 34,928	\$ 127,002	\$ -	\$ (11,000)	\$ -	\$ -
Total cash and investment assets - ending	\$ 34,928	\$ 127,002	\$ -	\$ (11,000)	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 34,928	\$ 127,002	\$ -	\$ (11,000)	\$ -	\$ -
Total cash and investment fund balance - ending	\$ 34,928	\$ 127,002	\$ -	\$ (11,000)	\$ -	\$ -

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title V Part A 2005/06	Title V Part A 2006/07	Special Education	Pre-School Special Education	Adult Education	Disabled/ Handicapped
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	1,109	318,137	10,952	28,999	11,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>1,109</u>	<u>318,137</u>	<u>10,952</u>	<u>28,999</u>	<u>11,000</u>
Disbursements:						
Current:						
Instruction	-	-	233,615	-	20,822	977
Support services	2,940	1,047	-	9,869	5,569	10,023
Community services	-	-	-	-	367	-
Nonprogrammed charges	-	-	62,118	7,650	-	-
Total disbursements	<u>2,940</u>	<u>1,047</u>	<u>295,733</u>	<u>17,519</u>	<u>26,758</u>	<u>11,000</u>
Excess (deficiency) of receipts over disbursements	<u>(2,940)</u>	<u>62</u>	<u>22,404</u>	<u>(6,567)</u>	<u>2,241</u>	<u>-</u>
Cash and investments - beginning	<u>2,940</u>	<u>-</u>	<u>(22,404)</u>	<u>12,650</u>	<u>1,148</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 6,083</u>	<u>\$ 3,389</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 6,083</u>	<u>\$ 3,389</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 6,083</u>	<u>\$ 3,389</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 6,083</u>	<u>\$ 3,389</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 6,083</u>	<u>\$ 3,389</u>	<u>\$ -</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Drug Free Schools 2006/07	Drug Free Schools 2004/05	Drug Free Schools 2005/06	College Prep	Federal Medicaid	Title II
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,105	-	2,720	-	9,805	47,010
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	2,105	-	2,720	-	9,805	47,010
Disbursements:						
Current:						
Instruction	-	-	-	-	-	39,445
Support services	-	3,250	850	-	995	11,906
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	3,250	850	-	995	51,351
Excess (deficiency) of receipts over disbursements	2,105	(3,250)	1,870	-	8,810	(4,341)
Cash and investments - beginning	-	3,250	2,720	1,195	7,735	19,584
Cash and investments - ending	\$ 2,105	\$ -	\$ 4,590	\$ 1,195	\$ 16,545	\$ 15,243
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,105	\$ -	\$ 4,590	\$ 1,195	\$ 16,545	\$ 15,243
Total cash and investment assets - ending	\$ 2,105	\$ -	\$ 4,590	\$ 1,195	\$ 16,545	\$ 15,243
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 2,105	\$ -	\$ 4,590	\$ 1,195	\$ 16,545	\$ 15,243
Total cash and investment fund balance - ending	\$ 2,105	\$ -	\$ 4,590	\$ 1,195	\$ 16,545	\$ 15,243

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II Part D	Title III	PEP Grant	Reading First 2006/07	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 27,513	\$ 702,380
Intermediate sources	-	-	-	-	-	2,175
State sources	-	-	-	-	-	143,502
Federal sources	-	1,726	301,012	226,058	-	1,245,922
Sale of property, adjustments and refunds	-	-	-	-	-	400,606
Total receipts	<u>-</u>	<u>1,726</u>	<u>301,012</u>	<u>226,058</u>	<u>27,513</u>	<u>2,494,585</u>
Disbursements:						
Current:						
Instruction	-	1,726	9,648	243,815	-	965,822
Support services	-	-	-	29,968	282,819	1,109,663
Community services	2,489	-	291,364	-	-	544,387
Nonprogrammed charges	-	-	-	-	-	79,702
Total disbursements	<u>2,489</u>	<u>1,726</u>	<u>301,012</u>	<u>273,783</u>	<u>282,819</u>	<u>2,699,574</u>
Excess (deficiency) of receipts over disbursements	<u>(2,489)</u>	<u>-</u>	<u>-</u>	<u>(47,725)</u>	<u>(255,306)</u>	<u>(204,989)</u>
Cash and investments - beginning	<u>4,941</u>	<u>-</u>	<u>-</u>	<u>47,220</u>	<u>365,337</u>	<u>807,677</u>
Cash and investments - ending	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ 110,031</u>	<u>\$ 602,688</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ 110,031</u>	<u>\$ 602,688</u>
Total cash and investment assets - ending	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ 110,031</u>	<u>\$ 602,688</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ 110,031</u>	<u>\$ 602,688</u>
Total cash and investment fund balance - ending	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ 110,031</u>	<u>\$ 602,688</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Vocational Horticulture	Bi-County Opportunity Center 2007/08	Bi-County Opportunity Center 2006/07	Educational License Plates
Receipts:							
Local sources	\$ 6,344	\$ 330,498	\$ 146,535	\$ 281	\$ 35,100	\$ 8,302	\$ -
Intermediate sources	-	-	-	-	-	-	825
State sources	29,313	7,695	25,729	-	9,157	-	-
Federal sources	-	167,611	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	4,908	107,678	4,345	-
Total receipts	35,657	505,804	172,264	5,189	151,935	12,647	825
Disbursements:							
Current:							
Instruction	1,328	-	-	5,644	164,779	-	-
Support services	19,854	514,688	134,810	-	29,918	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	7,675	-	-	-	-	-	-
Total disbursements	28,857	514,688	134,810	5,644	194,697	-	-
Excess (deficiency) of receipts over disbursements	6,800	(8,884)	37,454	(455)	(42,762)	12,647	825
Cash and investments - beginning	31,197	112,208	84,887	1,255	-	(12,647)	7,273
Cash and investments - ending	<u>\$ 37,997</u>	<u>\$ 103,324</u>	<u>\$ 122,341</u>	<u>\$ 800</u>	<u>\$ (42,762)</u>	<u>\$ -</u>	<u>\$ 8,098</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 37,997	\$ 103,324	\$ 122,341	\$ 800	\$ (42,762)	\$ -	\$ 8,098
Total cash and investment assets - ending	<u>\$ 37,997</u>	<u>\$ 103,324</u>	<u>\$ 122,341</u>	<u>\$ 800</u>	<u>\$ (42,762)</u>	<u>\$ -</u>	<u>\$ 8,098</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Unrestricted	\$ 37,997	\$ 103,324	\$ 122,341	\$ 800	\$ (42,762)	\$ -	\$ 8,098
Total cash and investment fund balance - ending	<u>\$ 37,997</u>	<u>\$ 103,324</u>	<u>\$ 122,341</u>	<u>\$ 800</u>	<u>\$ (42,762)</u>	<u>\$ -</u>	<u>\$ 8,098</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Alternative Education	Early Intervention	Before/After School Corporation	Patriot Activity Center	County Drug Grant	Gifted and Talented	Step Ahead
Receipts:							
Local sources	\$ -	\$ -	\$ 16,335	\$ 2,627	\$ 7,275	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	22,720	-	-	-	30,978	3,500
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	10,000	-	-	-
Total receipts	-	22,720	16,335	12,627	7,275	30,978	3,500
Disbursements:							
Current:							
Instruction	37,371	22,620	381	-	-	30,028	3,500
Support services	-	-	-	-	6,800	-	-
Community services	-	100	14,655	461	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	37,371	22,720	15,036	461	6,800	30,028	3,500
Excess (deficiency) of receipts over disbursements	(37,371)	-	1,299	12,166	475	950	-
Cash and investments - beginning	39,231	-	1,494	1,790	5,817	-	-
Cash and investments - ending	\$ 1,860	\$ -	\$ 2,793	\$ 13,956	\$ 6,292	\$ 950	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,860	\$ -	\$ 2,793	\$ 13,956	\$ 6,292	\$ 950	\$ -
Total cash and investment assets - ending	\$ 1,860	\$ -	\$ 2,793	\$ 13,956	\$ 6,292	\$ 950	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Unrestricted	\$ 1,860	\$ -	\$ 2,793	\$ 13,956	\$ 6,292	\$ 950	\$ -
Total cash and investment fund balance - ending	\$ 1,860	\$ -	\$ 2,793	\$ 13,956	\$ 6,292	\$ 950	\$ -

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	State Medicaid	Extra- Curricular Reimbursements	Non-English Speaking Program	Technology	Learning Center	Learning Center Fire	AAA Wireless Cyberlink
Receipts:							
Local sources	\$ -	\$ 12,059	\$ -	\$ -	\$ 19,786	\$ -	\$ 24,700
Intermediate sources	-	-	-	-	-	-	-
State sources	219	-	-	13,011	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	2,264	-	15,181	-
Total receipts	<u>219</u>	<u>12,059</u>	<u>-</u>	<u>15,275</u>	<u>19,786</u>	<u>15,181</u>	<u>24,700</u>
Disbursements:							
Current:							
Instruction	-	738	-	-	7,515	-	-
Support services	-	-	-	16,241	-	2,100	24,700
Community services	-	11,321	-	-	-	95,943	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>12,059</u>	<u>-</u>	<u>16,241</u>	<u>7,515</u>	<u>98,043</u>	<u>24,700</u>
Excess (deficiency) of receipts over disbursements	<u>219</u>	<u>-</u>	<u>-</u>	<u>(966)</u>	<u>12,271</u>	<u>(82,862)</u>	<u>-</u>
Cash and investments - beginning	<u>12,553</u>	<u>-</u>	<u>180</u>	<u>5,330</u>	<u>34,928</u>	<u>127,002</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,772</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 4,364</u>	<u>\$ 47,199</u>	<u>\$ 44,140</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ 12,772</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 4,364</u>	<u>\$ 47,199</u>	<u>\$ 44,140</u>	<u>\$ -</u>
Total cash and investment assets - ending	<u>\$ 12,772</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 4,364</u>	<u>\$ 47,199</u>	<u>\$ 44,140</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Unrestricted	<u>\$ 12,772</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 4,364</u>	<u>\$ 47,199</u>	<u>\$ 44,140</u>	<u>\$ -</u>
Total cash and investment fund balance - ending	<u>\$ 12,772</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 4,364</u>	<u>\$ 47,199</u>	<u>\$ 44,140</u>	<u>\$ -</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I 2006/07	Title I 2007/08	Title V, Part A 2007/08	Title V, Part A 2006/07	Special Education	Pre-School Special Education	Adult Education
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	11,000	136,656	1,000	1,000	288,656	11,024	28,000
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	11,000	136,656	1,000	1,000	288,656	11,024	28,000
Disbursements:							
Current:							
Instruction	-	150,656	-	-	233,476	-	24,278
Support services	-	-	1,966	1,062	-	-	5,287
Community services	-	-	-	-	-	-	325
Nonprogrammed charges	-	-	-	-	55,180	6,083	-
Total disbursements	-	150,656	1,966	1,062	288,656	6,083	29,890
Excess (deficiency) of receipts over disbursements	11,000	(14,000)	(966)	(62)	-	4,941	(1,890)
Cash and investments - beginning	(11,000)	-	-	62	-	6,083	3,389
Cash and investments - ending	\$ -	\$ (14,000)	\$ (966)	\$ -	\$ -	\$ 11,024	\$ 1,499
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ (14,000)	\$ (966)	\$ -	\$ -	\$ 11,024	\$ 1,499
Total cash and investment assets - ending	\$ -	\$ (14,000)	\$ (966)	\$ -	\$ -	\$ 11,024	\$ 1,499
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Unrestricted	\$ -	\$ (14,000)	\$ (966)	\$ -	\$ -	\$ 11,024	\$ 1,499
Total cash and investment fund balance - ending	\$ -	\$ (14,000)	\$ (966)	\$ -	\$ -	\$ 11,024	\$ 1,499

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Disabled/ Handicapped	Drug Free Schools 2006/07	Drug Free Schools 2005/06	College Prep	Federal Medicaid	Juvenile Accountability Block Grant	Title II
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	11,000	2,100	-	-	345	30,000	47,966
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	11,000	2,100	-	-	345	30,000	47,966
Disbursements:							
Current:							
Instruction	486	-	-	-	9,274	30,000	45,910
Support services	10,514	660	4,590	-	35	-	8,969
Community services	-	-	-	1,195	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	11,000	660	4,590	1,195	9,309	30,000	54,879
Excess (deficiency) of receipts over disbursements	-	1,440	(4,590)	(1,195)	(8,964)	-	(6,913)
Cash and investments - beginning	-	2,105	4,590	1,195	16,545	-	15,243
Cash and investments - ending	\$ -	\$ 3,545	\$ -	\$ -	\$ 7,581	\$ -	\$ 8,330
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 3,545	\$ -	\$ -	\$ 7,581	\$ -	\$ 8,330
Total cash and investment assets - ending	\$ -	\$ 3,545	\$ -	\$ -	\$ 7,581	\$ -	\$ 8,330
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Unrestricted	\$ -	\$ 3,545	\$ -	\$ -	\$ 7,581	\$ -	\$ 8,330
Total cash and investment fund balance - ending	\$ -	\$ 3,545	\$ -	\$ -	\$ 7,581	\$ -	\$ 8,330

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part D	PEP Grant 2007/08	PEP Grant 2006/07	Reading First 2006/07	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 755	\$ 1,048	\$ 611,645
Intermediate sources	-	-	-	-	-	825
State sources	-	-	-	-	-	142,322
Federal sources	-	127,659	46,138	276,272	-	1,186,427
Sale of property, adjustments and refunds	-	-	-	-	-	144,376
Total receipts	-	127,659	46,138	277,027	1,048	2,085,595
Disbursements:						
Current:						
Instruction	-	110,649	2,788	245,465	-	1,126,886
Support services	-	17,010	-	26,405	87,985	913,594
Community services	2,452	-	43,350	-	-	169,802
Nonprogrammed charges	-	-	-	2,273	-	71,211
Total disbursements	2,452	127,659	46,138	274,143	87,985	2,281,493
Excess (deficiency) of receipts over disbursements	(2,452)	-	-	2,884	(86,937)	(195,898)
Cash and investments - beginning	2,452	-	-	(505)	110,031	602,688
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,379	\$ 23,094	\$ 406,790
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ 2,379	\$ 23,094	\$ 406,790
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 2,379	\$ 23,094	\$ 406,790
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Unrestricted	\$ -	\$ -	\$ -	\$ 2,379	\$ 23,094	\$ 406,790
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 2,379	\$ 23,094	\$ 406,790

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Martindale Trust- Citizens	Ridenour Trust	Harmon Trust	Martindale Trust- Montgomery	Totals
Additions:					
Contributions:					
Other	\$ 73,272	\$ -	\$ 60,000	\$ -	\$ 133,272
Investment earnings:					
Interest	546	282	1,280	3,484	5,592
Total additions	<u>73,818</u>	<u>282</u>	<u>61,280</u>	<u>3,484</u>	<u>138,864</u>
Deductions:					
Administrative and general	<u>94,144</u>	<u>1,466</u>	<u>37,766</u>	<u>52,559</u>	<u>185,935</u>
Excess (deficiency) of total additions over total deductions	(20,326)	(1,184)	23,514	(49,075)	(47,071)
Cash and investment fund balance - beginning	<u>20,441</u>	<u>6,850</u>	<u>27,903</u>	<u>115,062</u>	<u>170,256</u>
Cash and investments - June 30	<u>\$ 115</u>	<u>\$ 5,666</u>	<u>\$ 51,417</u>	<u>\$ 65,987</u>	<u>\$ 123,185</u>
Net assets:					
Cash and investments	<u>\$ 115</u>	<u>\$ 5,666</u>	<u>\$ 51,417</u>	<u>\$ 65,987</u>	<u>\$ 123,185</u>
Total net assets - cash and investment basis held in trust	<u>\$ 115</u>	<u>\$ 5,666</u>	<u>\$ 51,417</u>	<u>\$ 65,987</u>	<u>\$ 123,185</u>

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Martindale Trust- Citizens	Ridenour Trust	Harmon Trust	Martindale Trust- Montgomery	Totals
Additions:					
Contributions:					
Other	\$ 23,872	\$ -	\$ 55,000	\$ -	\$ 78,872
Investment earnings:					
Interest	154	192	1,502	2,941	4,789
Total additions	<u>24,026</u>	<u>192</u>	<u>56,502</u>	<u>2,941</u>	<u>83,661</u>
Deductions:					
Administrative and general	<u>7,937</u>	<u>397</u>	<u>9,963</u>	<u>575</u>	<u>18,872</u>
Excess (deficiency) of total additions over total deductions	16,089	(205)	46,539	2,366	64,789
Cash and investment fund balance - beginning	<u>115</u>	<u>5,666</u>	<u>51,417</u>	<u>65,987</u>	<u>123,185</u>
Cash and investments - June 30	<u>\$ 16,204</u>	<u>\$ 5,461</u>	<u>\$ 97,956</u>	<u>\$ 68,353</u>	<u>\$ 187,974</u>
Net assets:					
Cash and investments	<u>\$ 16,204</u>	<u>\$ 5,461</u>	<u>\$ 97,956</u>	<u>\$ 68,353</u>	<u>\$ 187,974</u>
Total net assets - cash and investment basis held in trust	<u>\$ 16,204</u>	<u>\$ 5,461</u>	<u>\$ 97,956</u>	<u>\$ 68,353</u>	<u>\$ 187,974</u>

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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.

General infrastructure assets completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 760,000
Infrastructure	1,443,560
Buildings	41,178,580
Improvements other than buildings	505,187
Machinery and equipment	<u>4,216,313</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 48,103,640</u>

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
High School building	\$ 2,587,707	\$ 441,000
Fitness center	4,412,124	430,500
Heating/Air conditioning equipment	2,230,383	459,000
Tax anticipation warrants	<u>1,500,000</u>	<u>1,521,041</u>
Total governmental activities debt	<u>\$ 10,730,214</u>	<u>\$ 2,851,541</u>

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
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF WARREN COUNTY, WARREN COUNTY, INDIANA

Compliance

We have audited the compliance of the Metropolitan School District of Warren County (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

on compliance, 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.

A control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 30, 2009

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 06/07	\$ 30,756	\$ -
		FY 07/08	-	30,231
			<u>30,756</u>	<u>30,231</u>
Total for program			<u>30,756</u>	<u>30,231</u>
National School Lunch Program				
	10.555			
		FY 06/07	149,770	-
		FY 07/08	-	185,858
			<u>149,770</u>	<u>185,858</u>
Total for program			<u>149,770</u>	<u>185,858</u>
Total for cluster			<u>180,526</u>	<u>216,089</u>
Total for federal grantor agency			<u>180,526</u>	<u>216,089</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Indiana Department of Justice				
Juvenile Accountability Incentive Block Grants				
	16.523			
		05-JB-028	-	20,000
		06-JB-028	-	10,000
			<u>-</u>	<u>30,000</u>
Total for program			<u>-</u>	<u>30,000</u>
Total for federal grantor agency			<u>-</u>	<u>30,000</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Crawfordsville Community School Corporation				
Special Education Cluster				
Special Education - Grants to States	84.027			
		FY 06/07	295,732	-
		FY 07/08	-	288,656
			<u>295,732</u>	<u>288,656</u>
Total for program			<u>295,732</u>	<u>288,656</u>
Special Education - Preschool Grants				
	84.173			
		FY 06/07	28,518	-
		FY 07/08	-	17,083
			<u>28,518</u>	<u>17,083</u>
Total for program			<u>28,518</u>	<u>17,083</u>
Total for cluster			<u>324,250</u>	<u>305,739</u>
Direct Grant				
Carol M. White Physical Education Program				
	84.215F			
		Q215F060039-06	301,013	46,138
		Q215F060039-07	-	127,659
			<u>301,013</u>	<u>173,797</u>
Total for program			<u>301,013</u>	<u>173,797</u>
Pass-Through Indiana Department of Education				
Adult Education - State Grant Program				
	84.002A			
		FY 2007-8127	26,759	-
		FY 2008-8127	-	29,890
			<u>26,759</u>	<u>29,890</u>
Total for program			<u>26,759</u>	<u>29,890</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010			
		07-8115	130,962	-
		08-8115	5,479	150,656
Total for program			<u>136,441</u>	<u>150,656</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		04-009	3,250	-
		05-018	850	4,590
		8115-06	-	660
Total for program			<u>4,100</u>	<u>5,250</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		04-8115	1,008	-
		05-8115	2,940	-
		06-8115	1,047	1,062
		07-8115	-	1,966
Total for program			<u>4,995</u>	<u>3,028</u>
Pass-Through Indiana Department of Education Education Technology State Grants	84.318			
		FY 2006	2,489	-
		FY 2007	-	2,452
Total for program			<u>2,489</u>	<u>2,452</u>
Pass-Through Indiana Department of Education Reading First State Grants	84.357			
		SY 2006-2007	184,575	92,867
		SY 2007-2008	89,208	181,276
Total for program			<u>273,783</u>	<u>274,143</u>
Pass-Through Indiana Department of Education English Language Acquisition Grants	84.365			
		FY 06/07	1,726	-
Total for program			<u>1,726</u>	<u>-</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		06-8115	51,351	-
		07-8115	-	54,879
Total for program			<u>51,351</u>	<u>54,879</u>
Total for federal grantor agency			<u>1,126,907</u>	<u>999,834</u>
Total federal awards expended			<u>\$ 1,307,433</u>	<u>\$ 1,245,923</u>

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

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metropolitan School District of Warren County (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the Indiana Code (IC 5-11-1 et seq.), audits of schools shall be conducted biennially. Such audits shall include both years within the biennial period.

IV. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006-2007	2007-2008
National School Lunch	10.555	\$ 25,409	\$ 48,478

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.215	Child Nutrition Cluster Special Education Cluster Carol M. White Physical Education Program

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF WARREN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2009, with Ralph Shrader, Superintendent of Schools; Jim Beyer, Assistant Superintendent of Schools; Nanette Ware, Treasurer; and Steve Magner, President of the School Board. Our audit disclosed no material items that warrant comment at this time.