

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

AUDIT REPORT
OF
METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
GREENE COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
05/04/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela Jerrells	07-01-06 to 06-30-09
Superintendent of Schools	Michael Turner C.G. Epple	07-01-06 to 07-31-06 08-01-06 to 06-30-09
President of the School Board	Jeffery B. Miller James Yeryar	07-01-06 to 06-30-07 07-01-07 to 06-30-09



STATE OF INDIANA
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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 SHAKAMAK, GREENE 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 Shakamak (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 April 8, 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.

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

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 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

April 8, 2009



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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 SHAKAMAK, GREENE 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 Shakamak (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 April 8, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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.

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)

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.

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.

This report is intended solely for the information and use of the School Corporation's management, the 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

April 8, 2009

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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>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	\$ 4,821,448	\$ -	\$ 26,250	\$ (4,795,198)
Support services	2,497,840	139,856	229,252	(2,128,732)
Community services	43,689	-	-	(43,689)
Nonprogrammed charges	260,669	-	-	(260,669)
Debt service	516,473	-	-	(516,473)
Total government	<u>\$ 8,140,119</u>	<u>\$ 139,856</u>	<u>\$ 255,502</u>	<u>(7,744,761)</u>
General receipts:				
Property taxes				1,206,826
Other local sources				291,413
State aid				4,796,247
Bonds and loans				1,000,000
Grants and contributions not restricted to specific programs				563,531
Sale of property, adjustments, and refunds				12,822
Investment earnings				<u>19,747</u>
Total general receipts				<u>7,890,586</u>
Change in net assets				145,825
Net assets - beginning				<u>895,370</u>
Net assets - ending				<u>\$ 1,041,195</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,041,195</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,041,195</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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	\$ 4,308,387	\$ -	\$ 70,825	\$ (4,237,562)
Support services	2,532,054	142,538	244,346	(2,145,170)
Community services	44,282	-	-	(44,282)
Nonprogrammed charges	230,781	-	-	(230,781)
Debt service	1,631,169	-	-	(1,631,169)
	<u>\$ 8,746,673</u>	<u>\$ 142,538</u>	<u>\$ 315,171</u>	<u>(8,288,964)</u>
General receipts:				
Property taxes				1,967,326
Other local sources				477,290
State aid				4,682,674
Bonds and loans				1,000,000
Grants and contributions not restricted to specific programs				484,415
Sale of property, adjustments, and refunds				23,258
Investment earnings				<u>26,563</u>
Total general receipts				<u>8,661,526</u>
Change in net assets				372,562
Net assets - beginning				<u>1,041,195</u>
Net assets - ending				<u>\$ 1,413,757</u>
<u>Assets</u>				
Cash and investments				<u>\$ 1,413,757</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 1,413,757</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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	Local Rainy Day Fund	Temporary Loan	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 628,613	\$ 136,419	\$ -	\$ -	\$ 352,458	\$ 253,848	\$ 119,012	\$ 167,306	\$ 1,657,656
Intermediate sources	185	-	-	-	-	-	-	-	185
State sources	4,859,979	-	-	-	-	-	-	59,353	4,919,332
Federal sources	51,431	-	-	-	-	-	-	644,518	695,949
Bonds and loans	-	-	-	1,000,000	-	-	-	-	1,000,000
Sale of property, adjustments and refunds	6,452	-	-	-	-	2,091	-	4,279	12,822
Total receipts	5,546,660	136,419	-	1,000,000	352,458	255,939	119,012	875,456	8,285,944
Disbursements:									
Current:									
Instruction	4,472,054	-	-	-	-	-	-	349,394	4,821,448
Support services	1,112,510	262,538	27,733	-	-	468,018	183,170	443,871	2,497,840
Community services	37,679	-	-	-	-	-	-	6,010	43,689
Nonprogrammed charges	222,056	-	-	-	-	-	-	38,613	260,669
Debt services	-	-	-	-	432,343	-	-	84,130	516,473
Total disbursements	5,844,299	262,538	27,733	-	432,343	468,018	183,170	922,018	8,140,119
Excess (deficiency) of receipts over disbursements	(297,639)	(126,119)	(27,733)	1,000,000	(79,885)	(212,079)	(64,158)	(46,562)	145,825
Other financing sources (uses):									
Transfers in	90,133	-	359,000	-	-	-	-	28,898	478,031
Transfers out	(2,991)	(681)	-	-	(161,875)	(150,325)	(50,623)	(111,536)	(478,031)
Total other financing sources (uses)	87,142	(681)	359,000	-	(161,875)	(150,325)	(50,623)	(82,638)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(210,497)	(126,800)	331,267	1,000,000	(241,760)	(362,404)	(114,781)	(129,200)	145,825
Cash and investments - beginning	(52,010)	34,018	75,558	-	101,612	265,315	151,141	319,736	895,370
Cash and investments - ending	<u>\$ (262,507)</u>	<u>\$ (92,782)</u>	<u>\$ 406,825</u>	<u>\$ 1,000,000</u>	<u>\$ (140,148)</u>	<u>\$ (97,089)</u>	<u>\$ 36,360</u>	<u>\$ 190,536</u>	<u>\$ 1,041,195</u>
<u>Cash and Investment Assets - Ending</u>									
Cash and investments	\$ (262,507)	\$ (92,782)	\$ 406,825	\$ 1,000,000	\$ -	\$ (97,089)	\$ 36,360	\$ 263,691	\$ 1,254,498
Restricted assets:									
Cash and investments	-	-	-	-	(140,148)	-	-	(73,155)	(213,303)
Total cash and investment assets - ending	<u>\$ (262,507)</u>	<u>\$ (92,782)</u>	<u>\$ 406,825</u>	<u>\$ 1,000,000</u>	<u>\$ (140,148)</u>	<u>\$ (97,089)</u>	<u>\$ 36,360</u>	<u>\$ 190,536</u>	<u>\$ 1,041,195</u>
<u>Cash and Investment Fund Balance - Ending</u>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (140,148)	\$ -	\$ -	\$ (73,155)	\$ (213,303)
Unrestricted	(262,507)	(92,782)	406,825	1,000,000	-	(97,089)	36,360	263,691	1,254,498
Total cash and investment fund balance - ending	<u>\$ (262,507)</u>	<u>\$ (92,782)</u>	<u>\$ 406,825</u>	<u>\$ 1,000,000</u>	<u>\$ (140,148)</u>	<u>\$ (97,089)</u>	<u>\$ 36,360</u>	<u>\$ 190,536</u>	<u>\$ 1,041,195</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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	Local Rainy Day Fund	Temporary Loan	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 988,801	\$ 291,321	\$ -	\$ -	\$ 447,377	\$ 381,868	\$ 146,000	\$ 358,309	\$ 2,613,676
Intermediate sources	42	-	-	-	-	-	-	-	42
State sources	4,762,108	-	-	-	-	-	-	61,125	4,823,233
Federal sources	26,375	-	-	-	-	-	-	632,651	659,026
Bonds and loans	-	-	-	1,000,000	-	-	-	-	1,000,000
Sale of property, adjustments and refunds	6,257	4,453	-	-	-	8,258	-	4,290	23,258
Total receipts	5,783,583	295,774	-	1,000,000	447,377	390,126	146,000	1,056,375	9,119,235
Disbursements:									
Current:									
Instruction	3,800,975	-	169,066	-	-	-	-	338,346	4,308,387
Support services	1,279,930	311,823	10,118	-	-	412,835	86,359	430,989	2,532,054
Community services	39,339	-	-	-	-	-	-	4,943	44,282
Nonprogrammed charges	202,348	-	-	-	-	-	-	28,433	230,781
Debt services	11,074	-	-	1,000,000	444,032	-	-	176,063	1,631,169
Total disbursements	5,333,666	311,823	179,184	1,000,000	444,032	412,835	86,359	978,774	8,746,673
Excess (deficiency) of receipts over disbursements	449,917	(16,049)	(179,184)	-	3,345	(22,709)	59,641	77,601	372,562
Other financing sources (uses):									
Transfers in	-	-	85,000	-	-	-	-	77,647	162,647
Transfers out	(29,867)	(9,381)	-	-	(14,376)	(12,300)	(89,700)	(7,023)	(162,647)
Total other financing sources (uses)	(29,867)	(9,381)	85,000	-	(14,376)	(12,300)	(89,700)	70,624	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	420,050	(25,430)	(94,184)	-	(11,031)	(35,009)	(30,059)	148,225	372,562
Cash and investments - beginning	(262,507)	(92,782)	406,825	1,000,000	(140,148)	(97,089)	36,360	190,536	1,041,195
Cash and investments - ending	\$ 157,543	\$ (118,212)	\$ 312,641	\$ 1,000,000	\$ (151,179)	\$ (132,098)	\$ 6,301	\$ 338,761	\$ 1,413,757
Cash and Investment Assets - Ending									
Cash and investments	\$ 157,542	\$ (118,212)	\$ 312,641	\$ 1,000,000	\$ -	\$ (132,098)	\$ 6,301	\$ 394,417	\$ 1,620,591
Restricted assets:									
Cash and investments	-	-	-	-	(151,178)	-	-	(55,656)	(206,834)
Total cash and investment assets - ending	\$ 157,542	\$ (118,212)	\$ 312,641	\$ 1,000,000	\$ (151,178)	\$ (132,098)	\$ 6,301	\$ 338,761	\$ 1,413,757
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (151,178)	\$ -	\$ -	\$ (55,656)	\$ (206,834)
Other purposes	-	-	-	-	-	-	-	-	-
Unrestricted	157,542	(118,212)	312,641	1,000,000	-	(132,098)	6,301	394,417	1,620,591
Total cash and investment fund balance - ending	\$ 157,542	\$ (118,212)	\$ 312,641	\$ 1,000,000	\$ (151,178)	\$ (132,098)	\$ 6,301	\$ 338,761	\$ 1,413,757

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 30,092	
Investment earnings:			
Interest	25,818	-	
Total additions	25,818	30,092	
Deductions:			
Benefits	1,491,990	-	
Administrative and general	-	28,054	
Total deductions	1,491,990	28,054	
Excess (deficiency) of total additions over total deductions	(1,466,172)	2,038	
Cash and investment fund balance - beginning	1,968,110	2,086	
Cash and investment fund balance - ending	\$ 501,938	\$ 4,124	\$ 53,263
Net assets:			
Cash and investments	\$ 501,938	\$ 4,124	
Total net assets - cash and investment basis held in trust	\$ 501,938	\$ 4,124	

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 9,019	
Investment earnings:			
Interest	10,079	-	
Total additions	10,079	9,019	
Deductions:			
Benefits	95,088	-	
Administrative and general	-	5,435	
Total deductions	95,088	5,435	
Excess (deficiency) of total additions over total deductions	(85,009)	3,584	
Cash and investment fund balance - beginning	501,938	4,124	
Cash and investment fund balance - ending	\$ 416,929	\$ 7,708	\$ 50,077
Net assets:			
Cash and investments	\$ 416,929	\$ 7,708	
Total net assets - cash and investment basis held in trust	\$ 416,929	\$ 7,708	

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Metropolitan School District of Shakamak

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 5 other schools in a joint venture to operate Greene-Sullivan Special Education Cooperative which was created to provide special education services to disabled children within the participating school corporations. The School Corporation is obligated by contract to remit its share of funds annually to supplement the Greene-Sullivan Special Education Cooperative. The cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Greene-Sullivan Special Education Cooperative can be obtained from 77 'A St. NE, Linton, IN 47441.

The School Corporation is a participant with 9 other schools in a joint venture to operate Twin Rivers Vocational Area which was created to provide vocational educational services to students and citizens within the jurisdiction of the participating school corporations. The School Corporation is obligated by contract to remit its share of funds annually to supplement the Twin Rivers Vocational Area. Twin Rivers Vocational Area's continued existence depends on continued funding by the participating school corporations. Complete financial statements for the Twin Rivers Vocational area can be obtained from 20 N. 3rd St., Vincennes, IN 47591.

The School Corporation is a participant with 6 private schools and 33 public school corporations in a joint venture to operate South Indiana Education Center (SIEC) which was created to operate and maintain an educational service center in order to allow participating schools to cooperate and share certain programs and services. The School Corporation is obligated by contract to remit annually a fee for members in an amount determined by the governing board of the SIEC. The School Corporation is obligated for the debts of the SIEC. Complete financial statements can be obtained from Southwest Dubois County School Corporation, P.O. Box 238, 201 W. Sunset Drive, Huntingburg, IN 47542.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Jasonville Public Library.

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. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

The temporary loan fund was established to account for tax anticipation warrants obtained during the school year.

The local rainy day fund is used to account for transfers of unused and unencumbered funds in accordance with Indiana Code 36-1-8-5 and a locally adopted resolution. The fund is subject to the same appropriation process as funds that receive tax money.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the pension bond, which accumulate resources for pension benefit payments.

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

Agency funds account for assets held by the School Corporation as an agent for employees' payroll withholding and serve as control for accounts for certain cash transactions during the time that they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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, while the fund financial statements for proprietary fund types would use the 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. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary 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. Proprietary fund equity is classified the same as in the government-wide statements.

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.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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.

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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.

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007	2008
General	\$ 262,507	\$ -
Transportation operating	92,782	118,212
Debt service	140,148	151,178
Capital projects	97,089	132,097
Retirement/severance Fund	73,155	55,656
Class size reduction	13,576	-
Project lead the way	40	20,000
Child welfare services	-	4,311
Textbook rental	35,236	5,085

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; 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. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
General Fund	Other governmental funds	\$ 2,991	\$ 29,867
Debt Service	Rainy Day Fund	160,000	-
Capital Projects	Rainy Day Fund	149,000	-
School Bus Replacement	Rainy Day Fund	50,000	85,000
Capital Projects	Other governmental funds	1,325	12,300
School Bus Replacement	Other governmental funds	623	4,700
Debt Service	Other governmental funds	1,875	14,376
Transportation Operating	Other governmental funds	681	9,381
Other governmental funds	General Fund	90,133	-
	Other governmental funds	21,403	7,023
Totals		<u>\$ 478,031</u>	<u>\$ 162,647</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

B. Pension Plans

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

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.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 55,178
Interest on net pension obligation	(3,203)
Adjustment to annual required contribution	3,650
Annual pension cost	55,625
Contributions made	35,896
Increase in net pension obligation	19,729
Net pension obligation, beginning of year	(44,176)
Net pension obligation, end of year	\$ (24,447)

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	5%
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

N/A = Not available

Actuarial Assumptions	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%

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 32,339	121%	\$ (43,496)
	06-30-06	36,831	101%	(44,176)
	06-30-07	55,625	65%	(24,447)

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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, 2006, 2007, and 2008, were \$95,623, \$109,615, and \$108,677, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES 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	\$ 698,480	\$ 666,532	\$ 31,948	105%	\$ 739,152	4%
07-01-06	636,647	785,214	(148,567)	81%	725,387	(20%)
07-01-07	663,141	777,485	(114,344)	85%	666,722	(17%)

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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	Levy Excess	Library Donations	Accelerated Reading
Receipts:						
Local sources	\$ 1,654	\$ 117,636	\$ 36,641	\$ -	\$ -	\$ 400
State sources	28,571	3,559	-	-	-	-
Federal sources	-	184,488	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>30,225</u>	<u>305,683</u>	<u>36,641</u>	<u>-</u>	<u>-</u>	<u>400</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	324,535	42,224	-	228	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	35,750	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>35,750</u>	<u>324,535</u>	<u>42,224</u>	<u>-</u>	<u>228</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,525)</u>	<u>(18,852)</u>	<u>(5,583)</u>	<u>-</u>	<u>(228)</u>	<u>400</u>
Other financing sources (uses):						
Transfers in	-	-	-	7,503	-	-
Transfers out	(8)	-	-	(90,133)	-	-
Total other financing sources (uses)	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>(82,630)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,533)</u>	<u>(18,852)</u>	<u>(5,583)</u>	<u>(82,630)</u>	<u>(228)</u>	<u>400</u>
Cash and investments - beginning	<u>20,519</u>	<u>86,632</u>	<u>(29,653)</u>	<u>88,794</u>	<u>229</u>	<u>500</u>
Cash and investments - ending	<u>\$ 14,986</u>	<u>\$ 67,780</u>	<u>\$ (35,236)</u>	<u>\$ 6,164</u>	<u>\$ 1</u>	<u>\$ 900</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 14,986	\$ 67,780	\$ (35,236)	\$ 6,164	\$ 1	\$ 900
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 14,986</u>	<u>\$ 67,780</u>	<u>\$ (35,236)</u>	<u>\$ 6,164</u>	<u>\$ 1</u>	<u>\$ 900</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>14,986</u>	<u>67,780</u>	<u>(35,236)</u>	<u>6,164</u>	<u>1</u>	<u>900</u>
Total cash and investment fund balance - ending	<u>\$ 14,986</u>	<u>\$ 67,780</u>	<u>\$ (35,236)</u>	<u>\$ 6,164</u>	<u>\$ 1</u>	<u>\$ 900</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Nurse Supplies	Tophat Program	Economic Education	Medicaid Reimbursement	School Technology	Technology Plan
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	4,023	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	2,123	-
Total receipts	-	-	-	4,023	2,123	-
Disbursements:						
Current:						
Instruction	-	-	1,000	201	-	-
Support services	-	-	-	3,521	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	1,000	3,722	-	-
Excess (deficiency) of receipts over disbursements	-	-	(1,000)	301	2,123	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,000)	301	2,123	-
Cash and investments - beginning	156	2,425	1,149	51,138	5,272	-
Cash and investments - ending	156	2,425	149	51,439	7,395	-
Cash and Investment Assets - Ending						
Cash and investments	\$ 156	\$ 2,425	\$ 149	\$ 51,439	\$ 7,395	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	156	2,425	149	51,439	7,395	-
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	156	2,425	149	51,439	7,395	-
Total cash and investment fund balance - ending	156	2,425	149	51,439	7,395	-

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Tophat 2002-03	Education Technology 2006	Tobacco Prevention Grant	Title I FY 2006	Title I FY 2007	School Improvement Grant 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	23,200	-	-	-	-
Federal sources	-	-	-	18,000	199,849	-
Sale of property, adjustments and refunds	-	2,156	-	-	-	-
Total receipts	-	25,356	-	18,000	199,849	-
Disbursements:						
Current:						
Instruction	-	13,756	2	26,906	178,300	2,588
Support services	-	11,600	-	1,873	-	910
Community services	-	-	-	-	509	343
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	25,356	2	28,779	178,809	3,841
Excess (deficiency) of receipts over disbursements	-	-	(2)	(10,779)	21,040	(3,841)
Other financing sources (uses):						
Transfers in	-	-	-	-	20,000	-
Transfers out	-	-	-	(20,000)	-	-
Total other financing sources (uses)	-	-	-	(20,000)	20,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2)	(30,779)	41,040	(3,841)
Cash and investments - beginning	20,600	-	2	30,779	-	3,841
Cash and investments - ending	\$ 20,600	\$ -	\$ -	\$ -	\$ 41,040	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 20,600	\$ -	\$ -	\$ -	\$ 41,040	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 20,600	\$ -	\$ -	\$ -	\$ 41,040	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,600	-	-	-	41,040	-
Total cash and investment fund balance - ending	\$ 20,600	\$ -	\$ -	\$ -	\$ 41,040	\$ -

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	School Improvement Grant 2006-07	Title V 2005-06	Title V 2006-07	Title V 2004-05	Serve America	Drug-Free School 2004-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	19,235	-	1,566	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>19,235</u>	<u>-</u>	<u>1,566</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	15,626	1,502	-	1,096	12	669
Support services	-	-	-	-	1,694	3,154
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	2,863	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>15,626</u>	<u>4,365</u>	<u>-</u>	<u>1,096</u>	<u>1,706</u>	<u>3,823</u>
Excess (deficiency) of receipts over disbursements	<u>3,609</u>	<u>(4,365)</u>	<u>1,566</u>	<u>(1,096)</u>	<u>(1,706)</u>	<u>(3,823)</u>
Other financing sources (uses):						
Transfers in	-	-	1,395	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,609</u>	<u>(4,365)</u>	<u>2,961</u>	<u>(1,096)</u>	<u>(1,706)</u>	<u>(3,823)</u>
Cash and investments - beginning	<u>-</u>	<u>5,205</u>	<u>-</u>	<u>1,096</u>	<u>1,708</u>	<u>3,823</u>
Cash and investments - ending	<u>\$ 3,609</u>	<u>\$ 840</u>	<u>\$ 2,961</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,609	\$ 840	\$ 2,961	\$ -	\$ 2	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,609</u>	<u>\$ 840</u>	<u>\$ 2,961</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>3,609</u>	<u>840</u>	<u>2,961</u>	<u>-</u>	<u>2</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 3,609</u>	<u>\$ 840</u>	<u>\$ 2,961</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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 School 2005-06	Drug-Free School 2006-07	Project Peace	Vocational Education	Team Nutrition
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	2,000	500	24,128	500
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>-</u>	<u>2,000</u>	<u>500</u>	<u>24,128</u>	<u>500</u>
Disbursements:					
Current:					
Instruction	546	-	-	11,170	500
Support services	1,100	-	-	-	25
Community services	408	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>2,054</u>	<u>-</u>	<u>-</u>	<u>11,170</u>	<u>525</u>
Excess (deficiency) of receipts over disbursements	<u>(2,054)</u>	<u>2,000</u>	<u>500</u>	<u>12,958</u>	<u>(25)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(1,395)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,054)</u>	<u>605</u>	<u>500</u>	<u>12,958</u>	<u>(25)</u>
Cash and investments - beginning	<u>4,491</u>	<u>-</u>	<u>-</u>	<u>16,230</u>	<u>25</u>
Cash and investments - ending	<u>\$ 2,437</u>	<u>\$ 605</u>	<u>\$ 500</u>	<u>\$ 29,188</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 2,437	\$ 605	\$ 500	\$ 29,188	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,437</u>	<u>\$ 605</u>	<u>\$ 500</u>	<u>\$ 29,188</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,437</u>	<u>605</u>	<u>500</u>	<u>29,188</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 2,437</u>	<u>\$ 605</u>	<u>\$ 500</u>	<u>\$ 29,188</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Class Size Reduction	Title II 2005-07	Project Lead The Way	Retirement/ Severance Bond Fund	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 10,975	\$ 167,306
State sources	-	-	-	-	59,353
Federal sources	91,006	103,111	135	-	644,518
Sale of property, adjustments and refunds	-	-	-	-	4,279
Total receipts	91,006	103,111	135	10,975	875,456
Disbursements:					
Current:					
Instruction	51,052	44,464	4	-	349,394
Support services	5,296	47,540	171	-	443,871
Community services	-	4,750	-	-	6,010
Nonprogrammed charges	-	-	-	-	38,613
Debt services	-	-	-	84,130	84,130
Total disbursements	56,348	96,754	175	84,130	922,018
Excess (deficiency) of receipts over disbursements	34,658	6,357	(40)	(73,155)	(46,562)
Other financing sources (uses):					
Transfers in	-	-	-	-	28,898
Transfers out	-	-	-	-	(111,536)
Total other financing sources (uses)	-	-	-	-	(82,638)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,658	6,357	(40)	(73,155)	(129,200)
Cash and investments - beginning	(36,975)	41,750	-	-	319,736
Cash and investments - ending	<u>(2,317)</u>	<u>48,107</u>	<u>(40)</u>	<u>(73,155)</u>	<u>190,536</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ (2,317)	\$ 48,107	\$ (40)	\$ -	\$ 263,691
Restricted assets:					
Cash and investments	-	-	-	(73,155)	(73,155)
Total cash and investment assets - ending	<u>(2,317)</u>	<u>48,107</u>	<u>(40)</u>	<u>(73,155)</u>	<u>190,536</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ (73,155)	\$ (73,155)
Unrestricted	(2,317)	48,107	(40)	-	263,691
Total cash and investment fund balance - ending	<u>(2,317)</u>	<u>48,107</u>	<u>(40)</u>	<u>(73,155)</u>	<u>190,536</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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	Levy Excess	Library Donations
Receipts:					
Local sources	\$ 2,855	\$ 116,619	\$ 38,802	\$ -	\$ -
State sources	19,416	3,339	-	-	-
Federal sources	-	197,826	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	<u>22,271</u>	<u>317,784</u>	<u>38,802</u>	<u>-</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	-	-	-	-	-
Support services	-	299,885	8,651	-	-
Community services	-	-	-	-	-
Nonprogrammed charges	24,750	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	<u>24,750</u>	<u>299,885</u>	<u>8,651</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,479)</u>	<u>17,899</u>	<u>30,151</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	77,147	-
Transfers out	(93)	-	-	-	-
Total other financing sources (uses)	<u>(93)</u>	<u>-</u>	<u>-</u>	<u>77,147</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,572)</u>	<u>17,899</u>	<u>30,151</u>	<u>77,147</u>	<u>-</u>
Cash and investments - beginning	<u>14,986</u>	<u>67,780</u>	<u>(35,236)</u>	<u>6,164</u>	<u>1</u>
Cash and investments - ending	<u>\$ 12,414</u>	<u>\$ 85,679</u>	<u>\$ (5,085)</u>	<u>\$ 83,311</u>	<u>\$ 1</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 12,414	\$ 85,679	\$ (5,085)	\$ 83,311	\$ 1
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 12,414</u>	<u>\$ 85,679</u>	<u>\$ (5,085)</u>	<u>\$ 83,311</u>	<u>\$ 1</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,414	85,679	(5,085)	83,311	1
Total cash and investment fund balance - ending	<u>\$ 12,414</u>	<u>\$ 85,679</u>	<u>\$ (5,085)</u>	<u>\$ 83,311</u>	<u>\$ 1</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Accelerated Reading	Nurse Supplies	High Ability	Tophat Program	Economic Education
Receipts:					
Local sources	\$ 41	\$ -	\$ -	\$ -	\$ -
State sources	-	-	29,157	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	41	-	29,157	-	-
Disbursements:					
Current:					
Instruction	152	-	12,610	-	-
Support services	-	-	-	716	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	152	-	12,610	716	-
Excess (deficiency) of receipts over disbursements	(111)	-	16,547	(716)	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(111)	-	16,547	(716)	-
Cash and investments - beginning	900	156	-	2,425	149
Cash and investments - ending	<u>789</u>	<u>156</u>	<u>16,547</u>	<u>1,709</u>	<u>149</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 789	\$ 156	\$ 16,547	\$ 1,709	\$ 149
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>789</u>	<u>156</u>	<u>16,547</u>	<u>1,709</u>	<u>149</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	789	156	16,547	1,709	149
Total cash and investment fund balance - ending	<u>789</u>	<u>156</u>	<u>16,547</u>	<u>1,709</u>	<u>149</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Medicaid Reimbursement	Cultural Competency	School Technology	Technology Grant Buddy-System	Tophat Program 2007-08
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	953	4,760	-	3,500	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	4,280	-	-
Total receipts	953	4,760	4,280	3,500	-
Disbursements:					
Current:					
Instruction	150	-	-	-	-
Support services	2,966	2,315	1,197	3,500	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	3,116	2,315	1,197	3,500	-
Excess (deficiency) of receipts over disbursements	(2,163)	2,445	3,083	-	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,163)	2,445	3,083	-	-
Cash and investments - beginning	51,439	-	7,395	-	20,600
Cash and investments - ending	<u>49,276</u>	<u>2,445</u>	<u>10,478</u>	<u>-</u>	<u>20,600</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 49,276	\$ 2,445	\$ 10,478	\$ -	\$ 20,600
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 49,276</u>	<u>\$ 2,445</u>	<u>\$ 10,478</u>	<u>\$ -</u>	<u>\$ 20,600</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	49,276	2,445	10,478	-	20,600
Total cash and investment fund balance - ending	<u>\$ 49,276</u>	<u>\$ 2,445</u>	<u>\$ 10,478</u>	<u>\$ -</u>	<u>\$ 20,600</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Serve America	Title I FY 2008	Title I FY 2007	School Improvement 2007-08	School Improvement 2006-07
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	215,636	(7,000)	40,000	7,000
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	215,636	(7,000)	40,000	7,000
Disbursements:					
Current:					
Instruction	-	179,343	34,041	20,748	9,454
Support services	-	6,372	-	3,222	1,155
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	-	185,715	34,041	23,970	10,609
Excess (deficiency) of receipts over disbursements	-	29,921	(41,041)	16,030	(3,609)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	29,921	(41,041)	16,030	(3,609)
Cash and investments - beginning	2	-	41,040	-	3,609
Cash and investments - ending	<u>2</u>	<u>29,921</u>	<u>(1)</u>	<u>16,030</u>	<u>-</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 2	\$ 29,921	\$ -	\$ 16,030	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>2</u>	<u>29,921</u>	<u>-</u>	<u>16,030</u>	<u>-</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2	29,921	-	16,030	-
Total cash and investment fund balance - ending	<u>2</u>	<u>29,921</u>	<u>-</u>	<u>16,030</u>	<u>-</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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 V 2005-06	Title V 2006-07	Homeland Security	Drug-Free School 2005-06	Drug-Free School 2006-07
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	-	-	-	2,650
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	-	-	-	2,650
Disbursements:					
Current:					
Instruction	840	-	-	191	-
Support services	-	-	1	2,246	868
Community services	-	-	-	-	174
Nonprogrammed charges	-	2,860	-	-	-
Debt services	-	-	-	-	-
Total disbursements	840	2,860	1	2,437	1,042
Excess (deficiency) of receipts over disbursements	(840)	(2,860)	(1)	(2,437)	1,608
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(840)	(2,860)	(1)	(2,437)	1,608
Cash and investments - beginning	840	2,961	-	2,437	605
Cash and investments - ending	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 2,213</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 101	\$ -	\$ -	\$ 2,213
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,213</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	101	-	-	2,213
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,213</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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)

	Project Peace 2006-07	Project Peace 2007-08	Cape Grant	Child Welfare Services	Class Size Reduction
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	-	-	-	90,974
Sale of property, adjustments and refunds	-	-	-	-	10
Total receipts	-	-	-	-	90,984
Disbursements:					
Current:					
Instruction	-	-	-	-	51,784
Support services	-	-	-	3,488	16,909
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	823	-
Debt services	-	-	-	-	-
Total disbursements	-	-	-	4,311	68,693
Excess (deficiency) of receipts over disbursements	-	-	-	(4,311)	22,291
Other financing sources (uses):					
Transfers in	-	500	-	-	-
Transfers out	(500)	-	-	-	-
Total other financing sources (uses)	(500)	500	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(500)	500	-	(4,311)	22,291
Cash and investments - beginning	500	-	29,188	-	(2,317)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 29,188</u>	<u>\$ (4,311)</u>	<u>\$ 19,974</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 500	\$ 29,188	\$ (4,311)	\$ 19,974
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 29,188</u>	<u>\$ (4,311)</u>	<u>\$ 19,974</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	500	29,188	(4,311)	19,974
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 29,188</u>	<u>\$ (4,311)</u>	<u>\$ 19,974</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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 Education Technology	Project Lead the Way 2006-07	Project Lead the Way 2007-08	Retirement/ Severance Debt Service	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 199,992	\$ 358,309
State sources	-	-	-	-	61,125
Federal sources	70,742	14,823	-	-	632,651
Sale of property, adjustments and refunds	-	-	-	-	4,290
Total receipts	70,742	14,823	-	199,992	1,056,375
Disbursements:					
Current:					
Instruction	10,501	-	18,532	-	338,346
Support services	61,247	14,783	1,468	-	430,989
Community services	4,769	-	-	-	4,943
Nonprogrammed charges	-	-	-	-	28,433
Debt services	-	-	-	176,063	176,063
Total disbursements	76,517	14,783	20,000	176,063	978,774
Excess (deficiency) of receipts over disbursements	(5,775)	40	(20,000)	23,929	77,601
Other financing sources (uses):					
Transfers in	-	-	-	-	77,647
Transfers out	-	-	-	(6,430)	(7,023)
Total other financing sources (uses)	-	-	-	(6,430)	70,624
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,775)	40	(20,000)	17,499	148,225
Cash and investments - beginning	48,107	(40)	-	(73,155)	190,536
Cash and investments - ending	<u>\$ 42,332</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ (55,656)</u>	<u>\$ 338,761</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 42,332	\$ -	\$ (20,000)	\$ -	\$ 394,419
Restricted assets:					
Cash and investments	-	-	-	(55,656)	(55,656)
Total cash and investment assets - ending	\$ 42,332	\$ -	\$ (20,000)	\$ (55,656)	\$ 338,763
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ (55,656)	\$ (55,656)
Unrestricted	42,332	-	(20,000)	-	394,419
Total cash and investment fund balance - ending	\$ 42,332	\$ -	\$ (20,000)	\$ (55,656)	\$ 338,763

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

	<u>Dairy Education Grant</u>	<u>Adult Education</u>	<u>Cultural Competency</u>	<u>Higher Education Grant</u>	<u>Agricultural Education CIEC</u>	<u>Teachers Tutoring Students</u>	<u>Totals</u>
Additions:							
Contributions:							
Other	\$ 250	\$ 27,592	\$ 2,250	\$ -	\$ -	\$ -	\$ 30,092
Deductions:							
Administrative and general	250	27,417	-	-	387	-	28,054
Excess (deficiency) of total additions over total deductions	-	175	2,250	-	(387)	-	2,038
Cash and investment fund balance - beginning	-	-	-	699	387	1,000	2,086
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 2,250</u>	<u>\$ 699</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 4,124</u>
Net assets:							
Cash and investments	\$ -	\$ 175	\$ 2,250	\$ 699	\$ -	\$ 1,000	\$ 4,124
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 2,250</u>	<u>\$ 699</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 4,124</u>

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

	Boston Scientific Grant	Adult Education	Cultural Competency	Latch Key	Teachers Tutoring Students	Totals
Additions:						
Contributions:						
Other	\$ 5,000	\$ 4,019	\$ -	\$ -	\$ -	\$ 9,019
Deductions:						
Administrative and general	-	4,019	1,416	-	-	5,435
Excess (deficiency) of total additions over total deductions	5,000	-	(1,416)	-	-	3,584
Cash and investment fund balance - beginning	-	175	2,250	699	1,000	4,124
Cash and investments - June 30	<u>\$ 5,000</u>	<u>\$ 175</u>	<u>\$ 834</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ 7,708</u>
Net assets:						
Cash and investments	\$ 5,000	\$ 175	\$ 834	\$ 699	\$ 1,000	\$ 7,708
Total net assets - cash and investment basis held in trust	<u>\$ 5,000</u>	<u>\$ 175</u>	<u>\$ 834</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ 7,708</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	State W/H Tax	County W/H Tax	Teacher Retirement	PERF	Annuities	Cancer Insurance
Cash and investments fund balance - ending	\$ 14,779	\$ 4,462	\$ 5,314	\$ 5,668	\$ (128)	\$ 42

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	ISTA Dues	Medical Reimbursement	Special Clearing Fund	Fringe Benefit Fund	Totals
Cash and investments fund balance - ending	\$ 1,524	\$ (10)	\$ 21,574	\$ 38	\$ 53,263

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	<u>State W/H Tax</u>	<u>County W/H Tax</u>	<u>Teacher Retirement</u>	<u>PERF</u>	<u>Annuities</u>	<u>Cancer Insurance</u>
Cash and investments fund balance - ending	\$ 9,666	\$ 2,927	\$ 5,413	\$ 5,674	\$ 72	\$ (25)

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Textbook Reimbursement	Learn and Serve	Special Clearing Fund	Fringe Benefit Fund	Totals
Cash and investments fund balance - ending	\$ 474	\$ 1,990	\$ 23,980	\$ (94)	\$ 50,077

CG EPPLE, SUPERINTENDENT
PAMELA J. JERRELLS, TREASURER
BRENDA E. CULLER, PAYROLL-DEPUTY TREASURER
KELLI J. GRIFFITH, SECRETARY



BOARD OF SCHOOL TRUSTEES
JAMES H. YERYAR, PRESIDENT
JEFFREY B. MILLER, VICE-PRESIDENT
BRIAN STOCKRAHM, SECRETARY
JOHN F. GAMBILL, MEMBER
MICHAEL L. STEVENSON, MEMBER

**MSD OF SHAKAMAK
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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 71,000
Buildings	10,031,605
Improvements other than buildings	1,213,882
Machinery and equipment	<u>1,464,693</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 12,781,180</u>

CG EPPLE, SUPERINTENDENT
 PAMELA J. JERRELLS, TREASURER
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 MICHAEL L. STEVENSON, MEMBER

**MSD OF SHAKAMAK
 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:		
Notes and loans payable	\$ 2,582,519	\$ 286,141
Tax Anticipation Warrants	1,000,000	1,000,000
Bonds payable:		
2006 Pension Bonds	1,915,000	60,000
Total governmental activities debt	\$ 5,497,519	\$ 1,346,141

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balance of the following funds were overdrawn:

Fund	2007	2008
General Fund	\$ 262,507	\$ -
Transportation Operating	92,782	118,212
Debt Service	140,148	151,178
Capital Projects	97,089	132,097
Retirement/Severance Fund	73,155	55,656
Class Size Reduction	2,317	-
Project Lead the Way	40	20,000
Child Welfare Services	-	4,311
Textbook Rental	35,236	5,085

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEMPORARY LOAN

A temporary loan of \$1,000,000 was obtained in 2006-2007 and 2007-2008 in anticipation of tax receipts. The Board of School Trustees did not specify the fund or funds for the benefit of which the loan is to be made or from the General Fund for anticipated state tuition support distributions. The monies were receipted into a temporary loan fund.

A temporary loan must be authorized by the board of school trustees, and the amount must be specified as well as the fund or funds for the benefit of which the loan is to be made or from the General Fund for anticipated state tuition support distributions. The amount of the principal maturing on or before June 30 for any fund shall not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions established to be collected or received for and distributed to the fund at the June distribution of taxes; and the amount of the principal of temporary loans maturing after June 30 and on or before December 31, shall not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to such fund at the December distribution of taxes. (Uniform Compliance Guideline Manuals for Schools, Chapter 8)

The principal of such loans is payable from the fund for which such taxes are levied or from the General Fund in the case of anticipated State tuition support distributions. If the loan is in excess of \$20,000, the issuance shall be advertised, bids received and an award made by the school board as required for the sale of bonds. Notice need not be published outside the county or more than ten (10) days before the date of sale, Indiana code 20-48-1-9. The interest may be paid from either the fund for which the loan was obtained or from the Debt Service Fund. However, if the rate of interest exceeds eight percent (8%), the approval of the Department of Local Government Finance must be obtained. (Uniform Compliance Guidelines Manual for Schools, Chapter 8)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
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 SHAKAMAK, GREENE COUNTY, INDIANA

Compliance

We have audited the compliance of the Metropolitan School District of Shakamak (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 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.

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)

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, the 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

April 8, 2009

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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		\$ 42,303	\$ 47,580
National School Lunch Program	10.555		<u>160,789</u>	<u>166,403</u>
			-	-
Total for Cluster			<u>203,092</u>	<u>213,983</u>
Team Nutrition Grants	10.574		<u>525</u>	-
Total for federal grantor agency			<u>203,617</u>	<u>213,983</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Greene-Sullivan Special Education Cooperative				
Special Education Cluster				
Special Education - Grants to States	84.027	FY 07	46,404	-
		FY 08	<u>-</u>	<u>23,184</u>
Total for program			<u>46,404</u>	<u>23,184</u>
Pass-Through Indiana Department of Education				
Title I Grant to Local Educational Agencies				
	84.010	06-2960	48,779	-
		07-2960	178,809	-
		08-2960	-	103,944
School Improvement Grant		07-2960	19,467	-
		08-2960	<u>-</u>	<u>18,979</u>
Total for program			<u>247,055</u>	<u>122,923</u>
Safe and Drug Free Schools and Communities - State Grants				
	84.186	2960-05	3,823	-
		2960-06	2,053	-
		2960-07	<u>1,395</u>	<u>1,042</u>
Total for program			<u>7,271</u>	<u>1,042</u>
State Grants for Innovative Programs				
	84.298	SY05-06	1,095	-
		SY06-07	4,365	-
		SY07-08	<u>-</u>	<u>1,428</u>
Total for program			<u>5,460</u>	<u>1,428</u>
Education Technology State Grants				
	84.318	2005-06	170	-
		2006-07	89,810	-
		2007-08	<u>-</u>	<u>19,065</u>
Total for program			<u>89,980</u>	<u>19,065</u>
Class Size Reduction				
	84.340	2005-06	7,476	-
		2006-07	43,576	-
		2007-08	<u>-</u>	<u>26,086</u>
Total for program			<u>51,052</u>	<u>26,086</u>
Improving Teacher Quality State Grants				
	84.367	06-2960	1,537	-
		07-2960	<u>5,237</u>	<u>-</u>
Total for program			<u>6,774</u>	<u>-</u>
Total for federal grantor agency			<u>453,996</u>	<u>193,728</u>
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through White River Valley School Corporation				
Learn and Serve America - School and Community Based Programs	94.004		<u>1,706</u>	<u>1</u>
Total federal awards expended			<u>\$ 659,319</u>	<u>\$ 407,712</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 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 Shakamak (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 School Corporation's shall be conducted biennially. Such audits shall include both years within the biennial period.

II. 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	2007	2008
School Breakfast Program	10.553	\$ 3,363	\$ 4,066
National School Lunch Program	10.555	12,626	14,366

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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
84.010	Child Nutrition Cluster Title I Grants to Local educational Agencies

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

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

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
EXIT CONFERENCE

The contents of this report were discussed on April 8, 2009, with Pam Jerrells, Treasurer; C.G. Epple, Superintendent of Schools; and James Yeryar, President of the School Board. The officials concurred with our audit findings.