

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

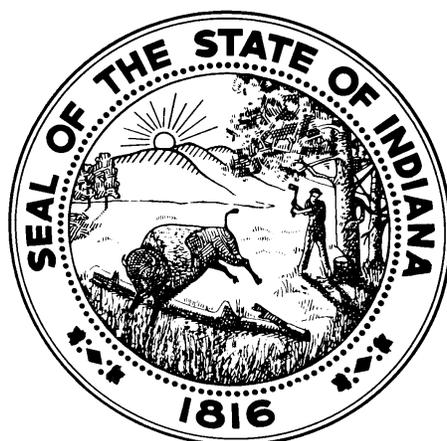
AUDIT REPORT

OF

MISSISSINEWA COMMUNITY SCHOOL CORPORATION

GRANT COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED

01/27/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jill S. Morphew	07-01-07 to 06-30-10
Superintendent of Schools	Michael A. Powell (Vacant) Michael A. Powell	07-01-07 to 06-30-09 07-01-09 to 07-31-09 08-01-09 to 06-30-10
President of the School Board	David Linn	01-01-07 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE MISSISSINEWA COMMUNITY
SCHOOL CORPORATION, GRANT COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mississinewa Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, 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, 2008 and 2009, 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 December 22, 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

December 22, 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 MISSISSINEWA COMMUNITY
SCHOOL CORPORATION, GRANT COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mississinewa Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 22, 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.

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

December 22, 2009

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
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>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 10,553,755	\$ -	\$ 226,673	\$ (10,327,082)
Support services	5,685,800	303,842	612,231	(4,769,727)
Noninstructional services	1,088,767	-	-	(1,088,767)
Facilities acquisition and construction	3,048,001	-	-	(3,048,001)
Debt service	1,146,756	-	-	(1,146,756)
Nonprogrammed charges	2,854,008	-	-	(2,854,008)
Total governmental activities	<u>\$ 24,377,087</u>	<u>\$ 303,842</u>	<u>\$ 838,904</u>	<u>(23,234,341)</u>
General receipts:				
Property taxes				4,448,305
Other local sources				1,952,014
State aid				10,805,561
Bonds and loans				1,603,964
Grants and contributions not restricted to specific programs				3,153,389
Investment earnings				194,534
Other				3,242
Total general receipts				<u>22,161,009</u>
Change in net assets				(1,073,332)
Net assets - beginning				<u>4,454,563</u>
Net assets - ending				<u>\$ 3,381,231</u>
<u>Assets</u>				
Cash and investments				\$ 3,261,547
Restricted assets:				
Cash and investments				<u>119,684</u>
Total assets				<u>\$ 3,381,231</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 119,684
Unrestricted				<u>3,261,547</u>
Total net assets				<u>\$ 3,381,231</u>

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<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 (Disbursements) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 10,639,567	\$ -	\$ 287,988	\$ (10,351,579)
Support services	6,429,192	397,188	663,522	(5,368,482)
Noninstructional services	1,077,142	-	-	(1,077,142)
Facilities acquisition and construction	1,278,659	-	-	(1,278,659)
Debt service	1,023,584	-	-	(1,023,584)
Nonprogrammed charges	3,249,116	-	-	(3,249,116)
Total governmental activities	<u>\$ 23,697,260</u>	<u>\$ 397,188</u>	<u>\$ 951,510</u>	<u>(22,348,562)</u>
General receipts:				
Property taxes				4,263,717
Other local sources				1,966,473
State aid				11,131,976
Bonds and loans				223,874
Grants and contributions not restricted to specific programs				5,142,721
Investment earnings				35,371
Other				54,109
Total general receipts				<u>22,818,241</u>
Change in net assets				469,679
Net assets - beginning				<u>3,381,231</u>
Net assets - ending				<u>\$ 3,850,910</u>
<u>Assets</u>				
Cash and investments				\$ 3,619,890
Restricted assets:				
Cash and investments				<u>231,020</u>
Total assets				<u>\$ 3,850,910</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 231,020
Unrestricted				<u>3,619,890</u>
Total net assets				<u>\$ 3,850,910</u>

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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	Cooperative IDEA Grant Pass-Through	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 2,717,689	\$ -	\$ 1,170,062	\$ 2,990,362	\$ 6,878,113
Intermediate sources	20,582	-	-	-	20,582
State sources	11,113,961	-	-	136,102	11,250,063
Federal sources	2,260	2,307,385	-	1,238,146	3,547,791
Other	2,590	-	-	652	3,242
Total receipts	13,857,082	2,307,385	1,170,062	4,365,262	21,699,791
Disbursements:					
Current:					
Instruction	9,652,271	-	-	901,484	10,553,755
Support services	3,774,983	-	485,750	1,425,067	5,685,800
Noninstructional services	234,813	-	-	853,954	1,088,767
Facilities acquisition and construction	1,986	-	1,390,554	1,655,461	3,048,001
Debt services	-	-	-	1,146,756	1,146,756
Nonprogrammed charges	87,784	2,621,533	-	144,691	2,854,008
Total disbursements	13,751,837	2,621,533	1,876,304	6,127,413	24,377,087
Excess (deficiency) of receipts over disbursements	105,245	(314,148)	(706,242)	(1,762,151)	(2,677,296)
Other financing sources (uses):					
Loan proceeds	-	-	-	1,603,964	1,603,964
Transfers in	65,000	-	-	89,851	154,851
Transfers out	(49,812)	-	-	(105,039)	(154,851)
Total other financing sources (uses)	15,188	-	-	1,588,776	1,603,964
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	120,433	(314,148)	(706,242)	(173,375)	(1,073,332)
Cash and investments - beginning	2,350,216	314,148	1,538,735	251,464	4,454,563
Cash and investments - ending	<u>\$ 2,470,649</u>	<u>\$ -</u>	<u>\$ 832,493</u>	<u>\$ 78,089</u>	<u>\$ 3,381,231</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 2,470,649	\$ -	\$ 832,493	\$ (41,595)	\$ 3,261,547
Restricted assets:					
Cash and investments	-	-	-	119,684	119,684
Total cash and investment assets - ending	<u>\$ 2,470,649</u>	<u>\$ -</u>	<u>\$ 832,493</u>	<u>\$ 78,089</u>	<u>\$ 3,381,231</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 119,684	\$ 119,684
Unrestricted	2,470,649	-	832,493	(41,595)	3,261,547
Total cash and investment fund balance - ending	<u>\$ 2,470,649</u>	<u>\$ -</u>	<u>\$ 832,493</u>	<u>\$ 78,089</u>	<u>\$ 3,381,231</u>

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009

	General	Cooperative IDEA Grant Pass-Through	Cooperative IDEA Grant 08-09	Federal Stabilization	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 2,293,614	\$ -	\$ -	\$ -	\$ 1,167,575	\$ 3,201,438	\$ 6,662,627
Intermediate sources	122	-	-	-	-	-	122
State sources	11,464,773	-	-	-	-	173,886	11,638,659
Federal sources	-	419,445	2,531,326	1,116,017	-	1,520,760	5,587,548
Other	21,484	-	-	-	5,999	26,626	54,109
Total receipts	13,779,993	419,445	2,531,326	1,116,017	1,173,574	4,922,710	23,943,065
Disbursements:							
Current:							
Instruction	9,106,479	-	-	380,429	-	1,152,659	10,639,567
Support services	4,435,543	-	-	-	553,093	1,440,556	6,429,192
Noninstructional services	213,686	-	-	-	-	863,456	1,077,142
Facilities acquisition and construction	-	-	-	-	1,106,282	172,377	1,278,659
Debt services	-	-	-	-	-	1,023,584	1,023,584
Nonprogrammed charges	174,569	419,445	2,531,326	-	-	123,776	3,249,116
Total disbursements	13,930,277	419,445	2,531,326	380,429	1,659,375	4,776,408	23,697,260
Excess (deficiency) of receipts over disbursements	(150,284)	-	-	735,588	(485,801)	146,302	245,805
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	223,874	223,874
Transfers in	719	-	-	-	-	232,475	233,194
Transfers out	(163,000)	-	-	-	-	(70,194)	(233,194)
Total other financing sources (uses)	(162,281)	-	-	-	-	386,155	223,874
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(312,565)	-	-	735,588	(485,801)	532,457	469,679
Cash and investments - beginning	2,470,649	-	-	-	832,493	78,089	3,381,231
Cash and investments - ending	\$ 2,158,084	\$ -	\$ -	\$ 735,588	\$ 346,692	\$ 610,546	\$ 3,850,910
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,158,084	\$ -	\$ -	\$ 735,588	\$ 346,692	\$ 379,526	\$ 3,619,890
Restricted assets:							
Cash and investments	-	-	-	-	-	231,020	231,020
Total cash and investment assets - ending	\$ 2,158,084	\$ -	\$ -	\$ 735,588	\$ 346,692	\$ 610,546	\$ 3,850,910
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,020	\$ 231,020
Unrestricted	2,158,084	-	-	735,588	346,692	379,526	3,619,890
Total cash and investment fund balance - ending	\$ 2,158,084	\$ -	\$ -	\$ 735,588	\$ 346,692	\$ 610,546	\$ 3,850,910

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u> -</u>
Deductions:	
Administrative and general	<u> 11,065</u>
Deficiency of total additions over total deductions	(11,065)
Cash and investment fund balance - beginning	<u> 11,191</u>
Cash and investment fund balance - ending	<u><u> \$ 126</u></u>
Net assets:	
Cash and investments	<u><u> \$ 126</u></u>
Total net assets - cash and investment basis held in trust	<u><u> \$ 126</u></u>

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2009

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ <u>1,093</u>
Deductions:	
Administrative and general	<u>477</u>
Excess of total additions over total deductions	616
Cash and investment fund balance - beginning	<u>126</u>
Cash and investment fund balance - ending	<u>\$ <u>742</u></u>
Net assets:	
Cash and investments	<u>\$ <u>742</u></u>
Total net assets - cash and investment basis held in trust	<u>\$ <u>742</u></u>

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
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 primary government, Mississinewa Community School Corporation.

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 Marion Community Schools, Oak Hill United School Corporation, Madison-Grant United School Corporation, and Eastbrook Community School Corporation in a joint venture to operate the Grant County Special Education Cooperative (Co-op) which was created to provide instruction for handicapped children. The Co-op's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Co-op can be obtained from the Co-op's administrative office at 424 East South A Street, Gas City, IN 46933.

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, 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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 cooperative IDEA grant pass-through and the cooperative IDEA grant 08-09 funds account for financial resources received from federal grants for the education of handicapped children.

The federal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state and federal programs.

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

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, 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.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any proprietary funds.

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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. 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.

Fund Financial Statements

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. 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. 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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	June 30, 2008	June 30, 2009
Transportation Operating	\$ 64,657	\$ -
Special Education Preschool	5,437	27,054
County Special Education Cooperative	56,155	79,174
Special Education 07-08	68,576	-
Drug Free 07-08	2,563	5,923
Common School Reimbursement	51,497	-
School Bus Replacement	115,895	-
Drug Free 08-09	-	4,961
Title II 08-09 Part A	-	24,712

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

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 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.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
General Fund	Other governmental funds	\$ 49,812	\$ 163,000
Other governmental funds	General Fund	65,000	719
Other governmental funds	Other governmental funds	<u>40,039</u>	<u>69,475</u>
Totals		<u>\$ 154,851</u>	<u>\$ 233,194</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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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.

Medical Benefits to Employees

During 1993, the School Corporation joined the School Employees' Benefit Trust, a public entity risk pool currently operating as a common risk management and insurance program for fourteen member governmental entities. This risk pool was formed in 1980. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

B. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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	\$ 152,064
Interest on net pension obligation	(4,552)
Adjustment to annual required contribution	5,187
Annual pension cost	152,699
Contributions made	165,396
Decrease in net pension obligations	(12,697)
Net pension obligation, beginning of year	(62,781)
Net pension obligation, end of year	\$ (75,478)

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	7.5%
Plan members	3%
Actuarial valuation date	07-01-08
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

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%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 134,906	96%	\$ (72,035)
	06-30-07	149,627	94%	(62,781)
	06-30-08	152,699	108%	(75,478)

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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$287,014, \$291,459, and \$218,084, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,155,951	\$ 2,486,938	\$ (330,987)	87%	\$ 1,949,732	(17%)
07-01-07	2,317,010	2,428,693	(111,683)	95%	2,189,496	(5%)
07-01-08	2,576,059	2,780,733	(204,674)	93%	2,303,956	(9%)

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	County Special Education Cooperative	Cooperative Special Education Programs	Intervention Program Westview
Receipts:							
Local sources	\$ 611,618	\$ 7,034	\$ 297,911	\$ 29,449	\$ 353,983	\$ 126	\$ -
State sources	-	37,378	9,591	19,518	-	1,577	31,320
Federal sources	-	-	463,100	-	-	-	-
Other	-	-	652	-	-	-	-
Total receipts	611,618	44,412	771,254	48,967	353,983	1,703	31,320
Disbursements:							
Current:							
Instruction	-	99,870	-	-	69,102	1,662	31,320
Support services	612,079	-	932	36,745	271,284	-	-
Noninstructional services	-	-	853,835	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	612,079	99,870	854,767	36,745	340,386	1,662	31,320
Excess (deficiency) of receipts over disbursements	(461)	(55,458)	(83,513)	12,222	13,597	41	-
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	49,812	-	-	-	-	-
Transfers out	(65,000)	-	-	-	-	-	-
Total other financing sources (uses)	(65,000)	49,812	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,461)	(5,646)	(83,513)	12,222	13,597	41	-
Cash and investments - beginning	804	209	178,533	4,353	(69,752)	244	-
Cash and investments - ending	<u>\$ (64,657)</u>	<u>\$ (5,437)</u>	<u>\$ 95,020</u>	<u>\$ 16,575</u>	<u>\$ (56,155)</u>	<u>\$ 285</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (64,657)	\$ (5,437)	\$ 95,020	\$ 16,575	\$ (56,155)	\$ 285	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (64,657)</u>	<u>\$ (5,437)</u>	<u>\$ 95,020</u>	<u>\$ 16,575</u>	<u>\$ (56,155)</u>	<u>\$ 285</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(64,657)	(5,437)	95,020	16,575	(56,155)	285	-
Total cash and investment fund balance - ending	<u>\$ (64,657)</u>	<u>\$ (5,437)</u>	<u>\$ 95,020</u>	<u>\$ 16,575</u>	<u>\$ (56,155)</u>	<u>\$ 285</u>	<u>\$ -</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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)

	Gifted/Talented 06-07	High Ability Grant 07-08	Non-English Speaking Program	Technology Workshop	Indiana School Academic Improvement	Title I 07-08	Title I 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	35,096	1,622	-	-	-	-
Federal sources	-	-	-	-	-	411,480	-
Other	-	-	-	-	-	-	-
Total receipts	-	35,096	1,622	-	-	411,480	-
Disbursements:							
Current:							
Instruction	4,645	13,926	-	-	100	303,089	34,106
Support services	-	-	-	-	-	56,698	-
Noninstructional services	-	-	-	-	-	119	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	4,645	13,926	-	-	100	359,906	34,106
Excess (deficiency) of receipts over disbursements	(4,645)	21,170	1,622	-	(100)	51,574	(34,106)
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	40,039	-
Transfers out	-	-	-	-	-	-	(40,039)
Total other financing sources (uses)	-	-	-	-	-	40,039	(40,039)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,645)	21,170	1,622	-	(100)	91,613	(74,145)
Cash and investments - beginning	4,645	-	1,029	4,246	819	-	74,145
Cash and investments - ending	\$ -	\$ 21,170	\$ 2,651	\$ 4,246	\$ 719	\$ 91,613	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 21,170	\$ 2,651	\$ 4,246	\$ 719	\$ 91,613	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 21,170	\$ 2,651	\$ 4,246	\$ 719	\$ 91,613	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	21,170	2,651	4,246	719	91,613	-
Total cash and investment fund balance - ending	\$ -	\$ 21,170	\$ 2,651	\$ 4,246	\$ 719	\$ 91,613	\$ -

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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 07-08	Title V 05-06	Cooperative Special Grant	Special Education 06-07	Special Education 07-08	Cooperative Preschool Pass Through
Receipts:						
Local sources	\$ -	\$ -	\$ 700	\$ -	\$ 390,148	\$ -
State sources	-	-	-	-	-	-
Federal sources	3,690	-	-	98,110	-	107,975
Other	-	-	-	-	-	-
Total receipts	<u>3,690</u>	<u>-</u>	<u>700</u>	<u>98,110</u>	<u>390,148</u>	<u>107,975</u>
Disbursements:						
Current:						
Instruction	-	-	700	27,199	314,077	-
Support services	-	677	-	(8,644)	144,647	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	123,163
Total disbursements	<u>-</u>	<u>677</u>	<u>700</u>	<u>18,555</u>	<u>458,724</u>	<u>123,163</u>
Excess (deficiency) of receipts over disbursements	<u>3,690</u>	<u>(677)</u>	<u>-</u>	<u>79,555</u>	<u>(68,576)</u>	<u>(15,188)</u>
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,690</u>	<u>(677)</u>	<u>-</u>	<u>79,555</u>	<u>(68,576)</u>	<u>(15,188)</u>
Cash and investments - beginning	<u>-</u>	<u>677</u>	<u>-</u>	<u>(79,555)</u>	<u>-</u>	<u>15,191</u>
Cash and investments - ending	<u>\$ 3,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,576)</u>	<u>\$ 3</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,690	\$ -	\$ -	\$ -	\$ (68,576)	\$ 3
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,576)</u>	<u>\$ 3</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,690	-	-	-	(68,576)	3
Total cash and investment fund balance - ending	<u>\$ 3,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,576)</u>	<u>\$ 3</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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)

	Preschool Grant 08-09	Cooperative Preschool Grant 07-08	Drug Free 07-08	Drug Free 06-07	Title II 07-08 Part A	Title II Part A
Receipts:						
Local sources	\$ 21,528	\$ 21,984	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	745	86,774	66,272
Other	-	-	-	-	-	-
Total receipts	<u>21,528</u>	<u>21,984</u>	<u>-</u>	<u>745</u>	<u>86,774</u>	<u>66,272</u>
Disbursements:						
Current:						
Instruction	-	-	1,688	-	-	-
Support services	-	21,984	875	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	21,528	-	-	-	-	-
Total disbursements	<u>21,528</u>	<u>21,984</u>	<u>2,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(2,563)</u>	<u>745</u>	<u>86,774</u>	<u>66,272</u>
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>(2,563)</u>	<u>745</u>	<u>86,774</u>	<u>66,272</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(306)</u>	<u>-</u>	<u>(66,272)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,563)</u>	<u>\$ 439</u>	<u>\$ 86,774</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ (2,563)	\$ 439	\$ 86,774	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,563)</u>	<u>\$ 439</u>	<u>\$ 86,774</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(2,563)	439	86,774	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,563)</u>	<u>\$ 439</u>	<u>\$ 86,774</u>	<u>\$ -</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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)

	Improving Teacher Quality	Common School Reimbursement	Debt Service	Severance Debt Service	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 876,871	\$ 270,005	\$ 109,005	\$ 2,990,362
State sources	-	-	-	-	-	136,102
Federal sources	-	-	-	-	-	1,238,146
Other	-	-	-	-	-	652
Total receipts	-	-	876,871	270,005	109,005	4,365,262
Disbursements:						
Current:						
Instruction	-	-	-	-	-	901,484
Support services	1,851	-	-	-	285,939	1,425,067
Noninstructional services	-	-	-	-	-	853,954
Facilities acquisition and construction	-	1,655,461	-	-	-	1,655,461
Debt services	-	-	882,926	263,830	-	1,146,756
Nonprogrammed charges	-	-	-	-	-	144,691
Total disbursements	1,851	1,655,461	882,926	263,830	285,939	6,127,413
Excess (deficiency) of receipts over disbursements	(1,851)	(1,655,461)	(6,055)	6,175	(176,934)	(1,762,151)
Other financing sources (uses):						
Loan proceeds	-	1,603,964	-	-	-	1,603,964
Transfers in	-	-	-	-	-	89,851
Transfers out	-	-	-	-	-	(105,039)
Total other financing sources (uses)	-	1,603,964	-	-	-	1,588,776
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,851)	(51,497)	(6,055)	6,175	(176,934)	(173,375)
Cash and investments - beginning	1,851	-	91,604	27,960	61,039	251,464
Cash and investments - ending	\$ -	\$ (51,497)	\$ 85,549	\$ 34,135	\$ (115,895)	\$ 78,089
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (51,497)	\$ -	\$ -	\$ (115,895)	\$ (41,595)
Restricted assets:						
Cash and investments	-	-	85,549	34,135	-	119,684
Total cash and investment assets - ending	\$ -	\$ (51,497)	\$ 85,549	\$ 34,135	\$ (115,895)	\$ 78,089
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 85,549	\$ 34,135	\$ -	\$ 119,684
Unrestricted	-	(51,497)	-	-	(115,895)	(41,595)
Total cash and investment fund balance - ending	\$ -	\$ (51,497)	\$ 85,549	\$ 34,135	\$ (115,895)	\$ 78,089

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	County Special Education Cooperative	Cooperative Special Education Programs	Gifted/ Talented 08-09
Receipts:							
Local sources	\$ 605,152	\$ 5,920	\$ 333,927	\$ 31,822	\$ 346,241	\$ 251	\$ 2,136
State sources	-	56,265	9,978	20,220	-	1,500	-
Federal sources	-	-	551,319	-	-	-	-
Other	1,730	40	5,518	-	-	-	-
Total receipts	606,882	62,225	900,742	52,042	346,241	1,751	2,136
Disbursements:							
Current:							
Instruction	-	107,842	-	-	74,859	1,595	2,136
Support services	574,901	-	383	53,386	294,401	-	-
Noninstructional services	-	-	862,460	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	574,901	107,842	862,843	53,386	369,260	1,595	2,136
Excess (deficiency) of receipts over disbursements	31,981	(45,617)	37,899	(1,344)	(23,019)	156	-
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	33,000	24,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	33,000	24,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,981	(21,617)	37,899	(1,344)	(23,019)	156	-
Cash and investments - beginning	(64,657)	(5,437)	95,020	16,575	(56,155)	285	-
Cash and investments - ending	\$ 324	\$ (27,054)	\$ 132,919	\$ 15,231	\$ (79,174)	\$ 441	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 324	\$ (27,054)	\$ 132,919	\$ 15,231	\$ (79,174)	\$ 441	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 324	\$ (27,054)	\$ 132,919	\$ 15,231	\$ (79,174)	\$ 441	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	324	(27,054)	132,919	15,231	(79,174)	441	-
Total cash and investment fund balance - ending	\$ 324	\$ (27,054)	\$ 132,919	\$ 15,231	\$ (79,174)	\$ 441	\$ -

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009
 (Continued)

	Alternative Education	Intervention Program Westview	High Ability Grant 08-09	High Ability Grant 07-08	Non-English Speaking Program	Technology Workshop	Indiana School Academic Improvement
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	4,502	45,725	35,096	-	600	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	4,502	45,725	35,096	-	600	-	-
Disbursements:							
Current:							
Instruction	-	45,725	35,096	21,170	31	-	-
Support services	4,502	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	4,502	45,725	35,096	21,170	31	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	(21,170)	569	-	-
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(719)
Total other financing sources (uses)	-	-	-	-	-	-	(719)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(21,170)	569	-	(719)
Cash and investments - beginning	-	-	-	21,170	2,651	4,246	719
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 3,220	\$ 4,246	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 3,220	\$ 4,246	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ 3,220	\$ 4,246	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	3,220	4,246	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 3,220	\$ 4,246	\$ -

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009
 (Continued)

	Title I 07-08	Title I 08-09	Title V 07-08	Special Education 08-09	Special Education 07-08	Preschool Grant 08-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 477,951	\$ 78,155	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	457,438	-	-	-	113,987
Other	-	-	-	-	17,814	-
Total receipts	-	457,438	-	477,951	95,969	113,987
Disbursements:						
Current:						
Instruction	19,268	401,655	-	268,920	11,221	-
Support services	10,645	116,209	3,690	199,071	16,172	-
Noninstructional services	-	996	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	113,987
Total disbursements	29,913	518,860	3,690	467,991	27,393	113,987
Excess (deficiency) of receipts over disbursements	(29,913)	(61,422)	(3,690)	9,960	68,576	-
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	61,700	-	-	-	-
Transfers out	(61,700)	-	-	-	-	-
Total other financing sources (uses)	(61,700)	61,700	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(91,613)	278	(3,690)	9,960	68,576	-
Cash and investments - beginning	91,613	-	3,690	-	(68,576)	-
Cash and investments - ending	\$ -	\$ 278	\$ -	\$ 9,960	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 278	\$ -	\$ 9,960	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 278	\$ -	\$ 9,960	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	278	-	9,960	-	-
Total cash and investment fund balance - ending	\$ -	\$ 278	\$ -	\$ 9,960	\$ -	\$ -

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009
 (Continued)

	Cooperative Preschool Pass Through	Preschool Grant 08-09	Drug Free 08-09	Drug Free 07-08	Drug Free 06-07	Title II 07-08 Part A
Receipts:						
Local sources	\$ -	\$ 21,217	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	1,524	-	-
Total receipts	-	21,217	-	1,524	-	-
Disbursements:						
Current:						
Instruction	-	-	1,417	653	-	86,774
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	3	9,786	-	-	-	-
Total disbursements	3	9,786	1,417	653	-	86,774
Excess (deficiency) of receipts over disbursements	(3)	11,431	(1,417)	871	-	(86,774)
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	4,231
Transfers out	-	-	(3,544)	(4,231)	-	-
Total other financing sources (uses)	-	-	(3,544)	(4,231)	-	4,231
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3)	11,431	(4,961)	(3,360)	-	(82,543)
Cash and investments - beginning	3	-	-	(2,563)	439	86,774
Cash and investments - ending	\$ -	\$ 11,431	\$ (4,961)	\$ (5,923)	\$ 439	\$ 4,231
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 11,431	\$ (4,961)	\$ (5,923)	\$ 439	\$ 4,231
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 11,431	\$ (4,961)	\$ (5,923)	\$ 439	\$ 4,231
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	11,431	(4,961)	(5,923)	439	4,231
Total cash and investment fund balance - ending	\$ -	\$ 11,431	\$ (4,961)	\$ (5,923)	\$ 439	\$ 4,231

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009
 (Continued)

	Title II 08-09 Part A	Rural Low Income Grant	Stimulus Grant/ Title I	IDEA Stimulus	Preschool Stimulus
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	46,041	57,449	43,972	241,602	8,952
Other	-	-	-	-	-
Total receipts	46,041	57,449	43,972	241,602	8,952
Disbursements:					
Current:					
Instruction	74,297	-	-	-	-
Support services	-	-	5,248	8,395	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	74,297	-	5,248	8,395	-
Excess (deficiency) of receipts over disbursements	(28,256)	57,449	38,724	233,207	8,952
Other financing sources (uses):					
Loan proceeds	-	-	-	-	-
Transfers in	3,544	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	3,544	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,712)	57,449	38,724	233,207	8,952
Cash and investments - beginning	-	-	-	-	-
Cash and investments - ending	\$ (24,712)	\$ 57,449	\$ 38,724	\$ 233,207	\$ 8,952
Cash and Investment Assets - Ending					
Cash and investments	\$ (24,712)	\$ 57,449	\$ 38,724	\$ 233,207	\$ 8,952
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ (24,712)	\$ 57,449	\$ 38,724	\$ 233,207	\$ 8,952
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(24,712)	57,449	38,724	233,207	8,952
Total cash and investment fund balance - ending	\$ (24,712)	\$ 57,449	\$ 38,724	\$ 233,207	\$ 8,952

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 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, 2009
 (Continued)

	Common School Reimbursement	Debt Service	Severance Debt Service	School Bus Replacement	Totals
Receipts:					
Local sources	\$ -	\$ 869,337	\$ 265,583	\$ 163,746	\$ 3,201,438
State sources	-	-	-	-	173,886
Federal sources	-	-	-	-	1,520,760
Other	-	-	-	-	26,626
Total receipts	-	869,337	265,583	163,746	4,922,710
Disbursements:					
Current:					
Instruction	-	-	-	-	1,152,659
Support services	-	-	-	153,553	1,440,556
Noninstructional services	-	-	-	-	863,456
Facilities acquisition and construction	172,377	-	-	-	172,377
Debt services	-	761,720	261,864	-	1,023,584
Nonprogrammed charges	-	-	-	-	123,776
Total disbursements	172,377	761,720	261,864	153,553	4,776,408
Excess (deficiency) of receipts over disbursements	(172,377)	107,617	3,719	10,193	146,302
Other financing sources (uses):					
Loan proceeds	223,874	-	-	-	223,874
Transfers in	-	-	-	106,000	232,475
Transfers out	-	-	-	-	(70,194)
Total other financing sources (uses)	223,874	-	-	106,000	386,155
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	51,497	107,617	3,719	116,193	532,457
Cash and investments - beginning	(51,497)	85,549	34,135	(115,895)	78,089
Cash and investments - ending	<u>\$ -</u>	<u>\$ 193,166</u>	<u>\$ 37,854</u>	<u>\$ 298</u>	<u>\$ 610,546</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ 298	\$ 379,526
Restricted assets:					
Cash and investments	-	193,166	37,854	-	231,020
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 193,166</u>	<u>\$ 37,854</u>	<u>\$ 298</u>	<u>\$ 610,546</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ 193,166	\$ 37,854	\$ -	\$ 231,020
Unrestricted	-	-	-	298	379,526
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 193,166</u>	<u>\$ 37,854</u>	<u>\$ 298</u>	<u>\$ 610,546</u>

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

	RW Clinton Scholarship	PCA Donation	Special Education Preschool Donation	Wal-mart Grant	Totals
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:					
Administrative and general	500	1,000	240	9,325	11,065
Deficiency of total additions over total deductions	(500)	(1,000)	(240)	(9,325)	(11,065)
Cash and investment fund balance - beginning	500	1,000	240	9,451	11,191
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 126</u>
Net assets:					
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 126</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 126</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Wal-mart Grant	Recycle Grant RJB	Gas City Zoo Grant RJB	Academic/ Scholarship RJB	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 309	\$ 351	\$ 433	\$ 1,093
Deductions:					
Administrative and general	126	-	351	-	477
Excess (deficiency) of total additions over total deductions	(126)	309	-	433	616
Cash and investment fund balance - beginning	126	-	-	-	126
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 742</u>
Net assets:					
Cash and investments	\$ -	\$ 309	\$ -	\$ 433	\$ 742
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 742</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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	\$ 57,500
Buildings	24,716,763
Improvements other than buildings	1,046,482
Machinery and equipment	2,960,114
Construction in progress	<u>1,363,639</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 30,144,498</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Loans payable:		
Common School Fund Loan - Northview	\$ 5,835,331	\$ 449,400
Common School Fund Loan - Westview	4,954,565	381,569
Common School Fund Loan - High School	2,000,000	271,572
Energy Savings Loan	1,346,261	237,182
Bonds payable:		
General obligation bonds:		
Pension Bonds	1,370,000	264,153
Total governmental activities debt	\$ 15,506,157	\$ 1,603,876

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn:

<u>Fund</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
Transportation Operating	\$ 64,657	\$ -
Special Education Preschool	5,437	27,054
County Special Education Cooperative	56,155	79,174
Special Education 07-08	68,576	-
Drug Free 07-08	2,563	5,923
Common School Reimbursement	51,497	-
School Bus Replacement	115,895	-
Drug Free 08-09	-	4,961
Title II 08-09 Part A	-	24,712

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)

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 MISSISSINEWA COMMUNITY
SCHOOL CORPORATION, GRANT COUNTY, INDIANA

Compliance

We have audited the compliance of the Mississinewa Community School Corporation (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, 2008 and 2009. 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, 2008 and 2009.

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, 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

December 22, 2009

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 86,998	\$ 98,708
National School Lunch Program	10.555		<u>452,985</u>	<u>503,345</u>
Total for federal grantor agency			<u>539,983</u>	<u>602,053</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		07-2855	34,106	-
		08-2855	359,906	29,913
		09-2855	<u>-</u>	<u>518,860</u>
Total for program			<u>394,012</u>	<u>548,773</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>-</u>	<u>5,249</u>
Total for cluster			<u>394,012</u>	<u>554,022</u>
Special Education Cluster				
Special Education - Grants to States	84.027			
		14207-021-PN01	444,728	-
		14208-021-PN01	2,165,886	350,869
		14209-021-PN01	<u>-</u>	<u>2,521,366</u>
Total for program			<u>2,610,614</u>	<u>2,872,235</u>
Special Education - Preschool Grants	84.173			
		45707-021-PN01	35,126	-
		45708-021-PN01	85,988	-
		45709-021-PN01	<u>-</u>	<u>102,556</u>
Total for program			<u>121,114</u>	<u>102,556</u>
ARRA - Special Education Grants to States, Recovery Act	84.391		<u>-</u>	<u>8,395</u>
Total for cluster			<u>2,731,728</u>	<u>2,983,186</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		<u>-</u>	<u>380,430</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		07-2855	2,563	653
		08-2855	<u>-</u>	<u>1,417</u>
Total for program			<u>2,563</u>	<u>2,070</u>
State Grants for Innovative Programs	84.298	05-131	<u>677</u>	<u>-</u>
Education Technology State Grants	84.318	FY 2005-07	<u>1,851</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367			
		07-2855	-	86,774
		08-2855	<u>-</u>	<u>74,296</u>
Total for program			<u>-</u>	<u>161,070</u>
Total for federal grantor agency			<u>3,130,831</u>	<u>4,080,778</u>
Total federal awards expended			<u>\$ 3,670,814</u>	<u>\$ 4,682,831</u>

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
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 Mississinewa Community School Corporation (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 corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2008 and 2009:

Program Title	Federal CFDA Number	Year Ended June 30, 2008	Year Ended June 30, 2009
Special Education – Grant to States	84.027	\$ 2,132,635	\$ 2,400,948
Special Education – Preschool Grants	84.173	99,130	92,770

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	Year Ended June 30, 2008	Year Ended June 30, 2009
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 9,641	\$ 6,801
National School Lunch Program	10.555	63,023	38,782
Total for cluster		<u>\$ 72,664</u>	<u>\$ 45,583</u>

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
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:

Name of Federal Program or Cluster

Title I, Part A Cluster
Special Education Cluster
State Fiscal Stabilization Fund Cluster

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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 22, 2009, with Michael A. Powell, Superintendent of Schools; and Jill S. Morpew, Treasurer. The officials concurred with our audit finding.