

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

AUDIT REPORT

OF

SCHOOL CITY OF MISHAWAKA

ST. JOSEPH COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED

12/30/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Randy J. Squadroni	01-01-08 to 12-31-10
Superintendent of Schools	R. Steven Mills Daniel R. Towner (Interim)	07-01-06 to 04-28-10 04-21-10 to 06-30-11
President of the School Board	Larry E. Stillson	01-01-08 to 12-31-10



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

TO: THE OFFICIALS OF THE SCHOOL CITY OF MISHAWAKA, ST. JOSEPH COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School City of Mishawaka (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 November 4, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards 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 School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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

November 4, 2010



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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 SCHOOL CITY OF MISHAWAKA, ST. JOSEPH COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School City of Mishawaka (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 4, 2010. 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, 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

November 4, 2010

SCHOOL CITY OF MISHAWAKA
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 34,623,237	\$ -	\$ 655,256	\$ (33,967,981)
Support services	17,411,339	970,910	1,638,712	(14,801,717)
Noninstructional services	2,589,085	-	-	(2,589,085)
Facilities acquisition and construction	3,843,790	-	-	(3,843,790)
Debt service	15,158,605	-	-	(15,158,605)
Nonprogrammed charges	<u>5,603,252</u>	<u>-</u>	<u>-</u>	<u>(5,603,252)</u>
Total governmental activities	<u>\$ 79,229,308</u>	<u>\$ 970,910</u>	<u>\$ 2,293,968</u>	<u>(75,964,430)</u>
General receipts:				
Property taxes				11,179,397
Other local sources				15,091,266
State aid				30,695,500
Bonds and loans				13,502,848
Grants and contributions not restricted to specific programs				5,307,921
Investment earnings				104,515
Other				<u>828,725</u>
Total general receipts				<u>76,710,172</u>
Change in net assets				745,742
Net assets - beginning				<u>5,729,187</u>
Net assets - ending				<u>\$ 6,474,929</u>
<u>Assets</u>				
Cash and investments				\$ 6,271,628
Restricted assets:				
Cash with fiscal agent				<u>203,301</u>
Total assets				<u>\$ 6,474,929</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,523
Other purposes				28,002
Unrestricted				<u>6,445,404</u>
Total net assets				<u>\$ 6,474,929</u>

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

SCHOOL CITY OF MISHAWAKA
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<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	\$ 36,663,876	\$ -	\$ 631,737	\$ (36,032,139)
Support services	16,300,777	899,030	1,871,344	(13,530,403)
Noninstructional services	2,782,825	-	-	(2,782,825)
Facilities acquisition and construction	738,439	-	-	(738,439)
Debt service	21,345,553	-	-	(21,345,553)
Nonprogrammed charges	<u>5,934,345</u>	<u>-</u>	<u>-</u>	<u>(5,934,345)</u>
Total governmental activities	<u>\$ 83,765,815</u>	<u>\$ 899,030</u>	<u>\$ 2,503,081</u>	<u>(80,363,704)</u>
General receipts:				
Property taxes				14,395,201
Other local sources				12,534,180
State aid				28,903,749
Bonds and loans				10,800,591
Grants and contributions not restricted to specific programs				11,649,748
Investment earnings				36,849
Other				<u>1,239,406</u>
Total general receipts				<u>79,559,724</u>
Change in net assets				(803,980)
Net assets - beginning				<u>6,474,929</u>
Net assets - ending				<u>\$ 5,670,949</u>
<u>Assets</u>				
Cash and investments				\$ 720,728
Restricted assets:				
Cash and investments				4,666,153
Cash with fiscal agent				<u>284,068</u>
Total assets				<u>\$ 5,670,949</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,682,222
Other purposes				267,999
Unrestricted				<u>720,728</u>
Total net assets				<u>\$ 5,670,949</u>

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

SCHOOL CITY OF MISHAWAKA
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	Joint Services and Supply	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 5,937,647	\$ 9,318,044	\$ 4,785,166	\$ 2,480,822	\$ 4,822,144	\$ 27,343,823
Intermediate sources	71	-	-	-	2,194	2,265
State sources	31,289,237	-	-	2,500	621,563	31,913,300
Federal sources	-	-	-	-	6,371,864	6,371,864
Temporary loans	7,580,000	-	1,900,000	2,800,000	520,000	12,800,000
Interfund loans	3,830,000	-	1,300,000	2,200,000	330,000	7,660,000
Other	261,989	-	-	29,004	377,443	668,436
Total receipts	<u>48,898,944</u>	<u>9,318,044</u>	<u>7,985,166</u>	<u>7,512,326</u>	<u>13,045,208</u>	<u>86,759,688</u>
Disbursements:						
Current:						
Instruction	19,685,689	8,494,177	-	-	6,443,371	34,623,237
Support services	10,259,397	746,612	-	2,751,779	3,641,326	17,399,114
Noninstructional services	477,175	-	-	-	2,111,910	2,589,085
Facilities acquisition and construction	-	-	-	501,242	3,342,548	3,843,790
Debt services	5,345,125	-	8,347,480	1,100,000	366,000	15,158,605
Nonprogrammed charges	4,743,809	-	-	-	272,398	5,016,207
Interfund loans	3,830,000	-	1,300,000	2,200,000	330,000	7,660,000
Total disbursements	<u>44,341,195</u>	<u>9,240,789</u>	<u>9,647,480</u>	<u>6,553,021</u>	<u>16,507,553</u>	<u>86,290,038</u>
Excess (deficiency) of receipts over disbursements	<u>4,557,749</u>	<u>77,255</u>	<u>(1,662,314)</u>	<u>959,305</u>	<u>(3,462,345)</u>	<u>469,650</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	863,137	863,137
Transfers in	-	57,088	-	-	116,137	173,225
Transfers out	(76,375)	-	(96,850)	-	-	(173,225)
Total other financing sources (uses)	<u>(76,375)</u>	<u>57,088</u>	<u>(96,850)</u>	<u>-</u>	<u>979,274</u>	<u>863,137</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,481,374</u>	<u>134,343</u>	<u>(1,759,164)</u>	<u>959,305</u>	<u>(2,483,071)</u>	<u>1,332,787</u>
Cash and investments - beginning	<u>2,785,679</u>	<u>188,145</u>	<u>1,760,687</u>	<u>11,172</u>	<u>368,457</u>	<u>5,114,140</u>
Cash and investments - ending	<u>\$ 7,267,053</u>	<u>\$ 322,488</u>	<u>\$ 1,523</u>	<u>\$ 970,477</u>	<u>\$ (2,114,614)</u>	<u>6,446,927</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>28,002</u>
Net assets of governmental activities						<u>\$ 6,474,929</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,267,053	\$ 322,488	\$ -	\$ 970,477	\$ (2,114,614)	\$ 6,445,404
Restricted assets:						
Cash and investments	-	-	1,523	-	-	1,523
Total cash and investment assets - ending	<u>\$ 7,267,053</u>	<u>\$ 322,488</u>	<u>\$ 1,523</u>	<u>\$ 970,477</u>	<u>\$ (2,114,614)</u>	<u>\$ 6,446,927</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 1,523	\$ -	\$ -	\$ 1,523
Unrestricted	7,267,053	322,488	-	970,477	(2,114,614)	6,445,404
Total cash and investment fund balance - ending	<u>\$ 7,267,053</u>	<u>\$ 322,488</u>	<u>\$ 1,523</u>	<u>\$ 970,477</u>	<u>\$ (2,114,614)</u>	<u>\$ 6,446,927</u>

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

SCHOOL CITY OF MISHAWAKA
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, 2010

	General	Joint Services and Supply	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 1,971,889	\$ 7,987,803	\$ 5,425,688	\$ 4,345,701	\$ 8,064,968	\$ 27,796,049
Intermediate sources	6	-	-	-	1,402	1,408
State sources	29,476,330	-	-	-	567,763	30,044,093
Federal sources	-	-	-	-	13,012,484	13,012,484
Temporary loans	3,341,000	-	4,656,000	2,156,000	361,000	10,514,000
Interfund loans	-	-	-	-	504,100	504,100
Other	217,126	-	160,861	53,961	807,459	1,239,407
Total receipts	<u>35,006,351</u>	<u>7,987,803</u>	<u>10,242,549</u>	<u>6,555,662</u>	<u>23,319,176</u>	<u>83,111,541</u>
Disbursements:						
Current:						
Instruction	16,978,111	7,867,361	-	-	11,818,404	36,663,876
Support services	9,461,192	673,547	-	2,388,267	4,370,987	16,893,993
Noninstructional services	497,828	-	-	-	2,284,997	2,782,825
Facilities acquisition and construction	-	-	-	487,414	251,025	738,439
Debt services	10,416,944	-	3,798,902	2,800,000	4,329,707	21,345,553
Nonprogrammed charges	5,450,428	(15,000)	-	-	145,698	5,581,126
Interfund loans	4,100	-	500,000	-	-	504,100
Total disbursements	<u>42,808,603</u>	<u>8,525,908</u>	<u>4,298,902</u>	<u>5,675,681</u>	<u>23,200,818</u>	<u>84,509,912</u>
Excess (deficiency) of receipts over disbursements	<u>(7,802,252)</u>	<u>(538,105)</u>	<u>5,943,647</u>	<u>879,981</u>	<u>118,358</u>	<u>(1,398,371)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	354,394	354,394
Transfers in	1,222,253	-	-	-	267,991	1,490,244
Transfers out	(24,779)	-	(1,443,212)	-	(22,253)	(1,490,244)
Total other financing sources (uses)	<u>1,197,474</u>	<u>-</u>	<u>(1,443,212)</u>	<u>-</u>	<u>600,132</u>	<u>354,394</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,604,778)</u>	<u>(538,105)</u>	<u>4,500,435</u>	<u>879,981</u>	<u>718,490</u>	<u>(1,043,977)</u>
Cash and investments - beginning	<u>7,267,053</u>	<u>322,488</u>	<u>1,523</u>	<u>970,477</u>	<u>(2,114,614)</u>	<u>6,446,927</u>
Cash and investments - ending	<u>\$ 662,275</u>	<u>\$ (215,617)</u>	<u>\$ 4,501,958</u>	<u>\$ 1,850,458</u>	<u>\$ (1,396,124)</u>	<u>5,402,950</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>267,999</u>
Net assets of governmental activities						<u>\$ 5,670,949</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 662,275	\$ (215,617)	\$ -	\$ 1,850,458	\$ (1,576,388)	\$ 720,728
Restricted assets:						
Cash and investments	-	-	4,501,958	-	180,264	4,682,222
Total cash and investment assets - ending	<u>\$ 662,275</u>	<u>\$ (215,617)</u>	<u>\$ 4,501,958</u>	<u>\$ 1,850,458</u>	<u>\$ (1,396,124)</u>	<u>\$ 5,402,950</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 4,501,958	\$ -	\$ 180,264	\$ 4,682,222
Unrestricted	662,275	(215,617)	-	1,850,458	(1,576,388)	720,728
Total cash and investment fund balance - ending	<u>\$ 662,275</u>	<u>\$ (215,617)</u>	<u>\$ 4,501,958</u>	<u>\$ 1,850,458</u>	<u>\$ (1,396,124)</u>	<u>\$ 5,402,950</u>

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

SCHOOL CITY OF MISHAWAKA
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	Internal Service Fund
Operating receipts:	
Miscellaneous	\$ 6,300,285
Operating disbursements:	
Insurance claims and expense	6,887,330
Change in net assets	(587,045)
Cash and investment fund balance - beginning	615,047
Cash and investment fund balance - ending	\$ 28,002
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ (175,299)
Cash with fiscal agent	203,301
Total cash and investment assets - ending	\$ 28,002
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 28,002
Total cash and investment fund balance - ending	\$ 28,002

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

SCHOOL CITY OF MISHAWAKA
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2010

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 593,216
Miscellaneous	<u>6,749,466</u>
Total operating receipts	<u>7,342,682</u>
Operating disbursements:	
Insurance claims and expense	<u>7,102,685</u>
Change in net assets	239,997
Cash and investment fund balance - beginning	<u>28,002</u>
Cash and investment fund balance - ending	<u>\$ 267,999</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ (16,069)
Cash with fiscal agent	<u>284,068</u>
Total cash and investment assets - ending	<u>\$ 267,999</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 267,999</u>
Total cash and investment fund balance - ending	<u>\$ 267,999</u>

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

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

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ 202,533
Deductions:	
Administrative and general	<u>226,108</u>
Deficiency of total additions over total deductions	(23,575)
Cash and investment fund balance - beginning	<u>26,658</u>
Cash and investment fund balance - ending	<u><u>\$ 3,083</u></u>
Net assets:	
Cash and investments	<u>\$ 3,083</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 3,083</u></u>

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

SCHOOL CITY OF MISHAWAKA
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 497,583	\$ -
Other	-	49,990
Total additions	497,583	49,990
Deductions:		
Benefits	264,000	-
Administrative and general	-	28,471
Total deductions	264,000	28,471
Excess of total additions over total deductions	233,583	21,519
Cash and investment fund balance - beginning	-	3,083
Cash and investment fund balance - ending	\$ 233,583	\$ 24,602
Net assets:		
Cash and investments	\$ 233,583	\$ 24,602
Total net assets - cash and investment basis held in trust	\$ 233,583	\$ 24,602

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

SCHOOL CITY OF MISHAWAKA
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: School City of Mishawaka

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

Joint Ventures

The School Corporation is a participant in a joint venture to operate the Joint Service and Supply for Special Education which was created to provide joint employment of personnel and joint purchase of supplies and equipment and to provide programs and services for exceptional children with various disabilities. The School Corporation is obligated to pay the Joint Service and Supply for Special Education its proportion of the total joint service and supply expenditures. Complete financial statements for the Joint Service and Supply for Special Education can be obtained from the School City of Mishawaka, 1402 South Main Street, Mishawaka, IN 46544.

The School Corporation is a participant in a joint venture to operate Byrkit Avenue Alternative School which was created to provide an alternative education program for students who have difficulty in traditional educational settings. The School Corporation is obligated by contract to remit annually an amount per student to supplement Byrkit Avenue Alternative School. Complete financial statements for the Byrkit Avenue Alternative School can be obtained from 55900 Bittersweet Road, Mishawaka, IN 46545.

The School Corporation is a participant in a joint venture to operate Head Start Consortium which was created to develop, operate, participate and supervise a Head Start Program to serve the preschool student populations of the participating corporations. The Head Start Consortium's continued existence depends on continued funding through a federal grant program administered by South Bend School Corporation. No fees are assessed member school corporations for the operation of this program. Complete financial statements for the Head Start Consortium can be obtained from its administrative office at South Bend Community School Corporation, 215 South St. Joseph Street, South Bend, IN 46601.

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. The School Corporation has not established any business-type activities.

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 joint services and supply fund accounts for the operation of a joint venture created for special education programs. Financing is provided from the School Corporation's general fund and from another participating school corporation.

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; the purchase, lease, upgrade, maintenance, or repair of computer equipment; services of computer maintenance employees; utility services; and property or casualty insurance.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for employee/retiree medical benefits financed by payroll deductions, retiree contributions, and employer share transferred from other funds.

The pension trust fund accounts for retirement and severance benefits financed by a transfer from the general fund.

The private-purpose trust funds report trust arrangements under which principal and income benefit the students.

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 enterprise 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.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may become delinquent if not paid by May 10 and November 10, respectively.

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. 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.

5. Long-Term Debt

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

6. 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."

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

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 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 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.

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

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

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

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

At June 30, 2009 and 2010, the following funds reported significant deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	6-30-09	6-30-10
Joint Services and Supply	\$ -	\$ 215,617
Textbook Rental	1,012,309	915,215
Joint Services Preschool	180,337	184,088
Joint Services Campus Program	1,188,901	565,869
Alternative Education	18,448	-
Tech Loans	321,709	209,130
Special Education Grants	-	197,031
Special Education Stimulus	-	98,006
LaSalle Qualified School Construction	-	385,577
Service Building	13,881	-
Baker Park/MHS Stadium Construction	464,131	156,167
AO558 Construction Loan	22,474	11,948
AO568 Loan/Wind Turbine Project	446,450	63,368

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

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 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's deposit policy for custodial credit risk requires investments in securities authorized by Indiana Statute. The policy requires monthly reporting of deposits and investments to the School Board. At June 30, 2010, the School Corporation had deposit balances in the amount of \$5,929,133. Of this amount, the following was exposed to custodial credit risk: \$284,068 uninsured and uncollateralized deposits.

The remaining 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, 2009 and 2010, were as follows:

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
General Fund	Joint Services and Supply Fund	\$ 57,088	\$ -
	Other Governmental Funds	19,287	24,779
Debt Service Fund	General Fund	-	1,200,000
	Other Governmental Funds	96,850	243,212
Other Governmental Funds	General Fund	-	22,253
Totals		<u>\$ 173,225</u>	<u>\$ 1,490,244</u>

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

C. Interfund Loans

The School Corporation uses interfund loans for cash flow purposes. Interfund loans for the years ended June 30, 2009, and June 30, 2010, was as follows:

<u>Fund Making Loan</u>	<u>Fund Receiving Loan</u>	<u>Loans</u>	<u>Repayments</u>	<u>Ending Balance</u>
<u>Fiscal Year 2008-2009</u>				
General	Debt Service	\$ 1,300,000	\$ 1,300,000	\$ -
General	Capital Projects	2,200,000	2,200,000	-
General	Other Governmental	330,000	330,000	-
Totals		<u>\$ 3,830,000</u>	<u>\$ 3,830,000</u>	<u>\$ -</u>
<u>Fiscal Year 2009-2010</u>				
General	Other Governmental	\$ 4,100	\$ -	\$ 4,100
Debt Service	Other Governmental	500,000	-	500,000
Totals		<u>\$ 504,100</u>	<u>\$ -</u>	<u>\$ 504,100</u>

D. Tax Anticipation Warrants

The School Corporation issues tax anticipation warrants for cash flow purposes in advance of property tax collections and/or state tuition support distributions, depositing the proceeds in the appropriate fund. Short-term debt activity for the years ended June 30, 2009, and June 30, 2010, was as follows:

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Fiscal Year 2008-2009</u>	<u>Beginning Balance</u>	<u>Issued/ Draws</u>	<u>Redeemed Repayments</u>	<u>Ending Balance</u>
General	\$ 6,934,000	\$ 7,580,000	\$ 5,334,000	\$ 9,180,000
Debt Service	-	1,900,000	-	1,900,000
Capital Projects	1,100,000	2,800,000	1,100,000	2,800,000
Other Governmental	366,000	520,000	366,000	520,000
Totals	<u>\$ 8,400,000</u>	<u>\$ 12,800,000</u>	<u>\$ 6,800,000</u>	<u>\$ 14,400,000</u>
 <u>Fiscal Year 2009-2010</u>				
General	\$ 9,180,000	\$ 3,341,000	\$ 9,180,000	\$ 3,341,000
Debt Service	1,900,000	4,656,000	1,900,000	4,656,000
Capital Projects	2,800,000	2,156,000	2,800,000	2,156,000
Other Governmental	520,000	361,000	520,000	361,000
Totals	<u>\$ 14,400,000</u>	<u>\$ 10,514,000</u>	<u>\$ 14,400,000</u>	<u>\$ 10,514,000</u>

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; medical benefits to employees, retirees, and dependents; 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.

The School Corporation has chosen to establish a risk-financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk-financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the fund. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based on number of employees paid from the affected fund and the calculated employer's share of premiums.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporations

The School Corporation has entered into capital leases with School City of Mishawaka Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2009 and June 30, 2010 totaled \$2,424,000, and \$2,425,000, respectively.

The School Corporation has entered into a capital lease with Mishawaka 2001 School Building Corporations (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2009, and June 30, 2010, totaled \$3,264,069 and \$2,563,144, respectively.

C. Subsequent Events

On April 27, 2010, the School approved an agreement with a contractor for a guaranteed energy savings program, not to exceed \$7,000,000. The financing for this program has not been finalized.

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Anthem Blue Cross is a single-employer defined benefit healthcare plan administered by School City of Mishawaka. The plan provides medical and dental to eligible retirees and their spouses. Contracts/agreements with each employee group or organization describe and define the benefit provisions. Anthem Blue Cross issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

School City of Mishawaka
1402 South Main Street
Mishawaka, IN 46544
574-254-4500

Funding Policy

The contribution requirements of plan members for the Anthem Blue Cross are established by the School Corporation's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the School Corporation contributed \$29,321 to the plan for current premiums (approximately 6.8% of total premiums). Plan members receiving benefits contributed \$399,906, or approximately 93.2% of the total premiums, through their required contribution of \$499 per month for retiree-only coverage and \$1,152 for

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

retiree and spouse coverage. For the year ended June 30, 2010, the School Corporation contributed \$27,255 to the plan for current premiums (approximately 8% of total premiums). Plan members receiving benefits contributed \$315,313, or approximately 92% of the total premiums, through their required contribution of \$518 per month for retiree-only coverage and \$1,197 for retiree and spouse coverage.

E. Pension Plans

1. Agent Multiple-Employer and Single-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 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the years ended June 30, 2009, and June 30, 2010, were \$710,668 and \$764,823, respectively.

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

SCHOOL CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
(Continued)

employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy

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's contributions to the plan during the years ended June 30, 2009, and June 30, 2010, were \$942,321 and \$970,949, respectively.

SCHOOL CITY OF MISHAWAKA
 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	Preschool	Rainy Day	School Lunch	Textbook Rental	Levy Excess	Joint Services Summer School
Receipts:							
Local sources	\$ 345,015	\$ 14,034	\$ -	\$ 809,961	\$ 258,747	\$ (668,765)	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	257,762	-	17,206	211,839	-	-
Federal sources	-	-	-	1,327,378	-	-	-
Temporary loans	500,000	3,000	-	-	-	-	-
Interfund loans	250,000	15,000	-	-	-	-	-
Other	84,872	-	-	944	487	-	750
Total receipts	1,179,887	289,796	-	2,155,489	471,073	(668,765)	750
Disbursements:							
Current:							
Instruction	-	-	450,000	-	-	-	-
Support services	367,623	-	-	421	466,743	-	-
Noninstructional services	-	-	-	2,096,751	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	350,000	11,000	-	-	-	-	-
Nonprogrammed charges	-	264,203	-	-	-	-	-
Interfund loans	250,000	15,000	-	-	-	-	-
Total disbursements	967,623	290,203	450,000	2,097,172	466,743	-	-
Excess (deficiency) of receipts over disbursements	212,264	(407)	(450,000)	58,317	4,330	(668,765)	750
Other financing sources:							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	873	-	-	-	96,850	-	-
Total other financing sources	873	-	-	-	96,850	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	213,137	(407)	(450,000)	58,317	101,180	(668,765)	750
Cash and investments - beginning	2,262	667	1,013,440	100,221	(1,113,489)	668,765	2,115
Cash and investments - ending	<u>\$ 215,399</u>	<u>\$ 260</u>	<u>\$ 563,440</u>	<u>\$ 158,538</u>	<u>\$ (1,012,309)</u>	<u>\$ -</u>	<u>\$ 2,865</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 215,399</u>	<u>\$ 260</u>	<u>\$ 563,440</u>	<u>\$ 158,538</u>	<u>\$ (1,012,309)</u>	<u>\$ -</u>	<u>\$ 2,865</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 215,399</u>	<u>\$ 260</u>	<u>\$ 563,440</u>	<u>\$ 158,538</u>	<u>\$ (1,012,309)</u>	<u>\$ -</u>	<u>\$ 2,865</u>

SCHOOL CITY OF MISHAWAKA
 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)

	Joint Services Preschool	Joint Services In Service Clearing	Joint Services Campus Program	Historical Society	Education License Plate Fees	Alternative Education	Safe Haven
Receipts:							
Local sources	\$ 1,225,639	\$ -	\$ 889,669	\$ 38,350	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	2,194	-	-
State sources	-	-	-	-	-	10,417	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	17,000	-	-	-
Interfund loans	-	-	-	25,000	-	-	-
Other	207	-	500	-	-	-	-
Total receipts	1,225,846	-	890,169	80,350	2,194	10,417	-
Disbursements:							
Current:							
Instruction	1,101,596	-	996,042	-	-	20,904	(8,170)
Support services	407	-	331,900	50,863	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	5,000	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	25,000	-	-	-
Total disbursements	1,102,003	-	1,327,942	80,863	-	20,904	(8,170)
Excess (deficiency) of receipts over disbursements	123,843	-	(437,773)	(513)	2,194	(10,487)	8,170
Other financing sources:							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	4,022	-	13,867	525	-	-	-
Total other financing sources	4,022	-	13,867	525	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	127,865	-	(423,906)	12	2,194	(10,487)	8,170
Cash and investments - beginning	(308,202)	10,222	(764,995)	85	187	(7,961)	(8,170)
Cash and investments - ending	\$ (180,337)	\$ 10,222	\$ (1,188,901)	\$ 97	\$ 2,381	\$ (18,448)	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (180,337)	\$ 10,222	\$ (1,188,901)	\$ 97	\$ 2,381	\$ (18,448)	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ (180,337)	\$ 10,222	\$ (1,188,901)	\$ 97	\$ 2,381	\$ (18,448)	\$ -

SCHOOL CITY OF MISHAWAKA
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 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
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 For the Year Ended June 30, 2009
 (Continued)

	Reading Recovery	Isaip North Side	Gifted and Talented	Tech Loans	YMCA Childcare	State Medicaid
Receipts:						
Local sources	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	30,500	-	50,497	-	-	28,801
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	6,509	-	-	-	-	-
	<u>37,014</u>	<u>-</u>	<u>50,497</u>	<u>-</u>	<u>-</u>	<u>28,801</u>
Total receipts						
Disbursements:						
Current:						
Instruction	-	-	68,114	-	-	-
Support services	51,685	-	-	481,920	-	41,549
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
	<u>51,685</u>	<u>-</u>	<u>68,114</u>	<u>481,920</u>	<u>-</u>	<u>41,549</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>(14,671)</u>	<u>-</u>	<u>(17,617)</u>	<u>(481,920)</u>	<u>-</u>	<u>(12,748)</u>
Other financing sources:						
Proceeds of long-term debt	-	-	-	702,848	-	-
Transfers in	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,848</u>	<u>-</u>	<u>-</u>
Total other financing sources						
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(14,671)</u>	<u>-</u>	<u>(17,617)</u>	<u>220,928</u>	<u>-</u>	<u>(12,748)</u>
Cash and investments - beginning	<u>5,006</u>	<u>41</u>	<u>31,616</u>	<u>(542,637)</u>	<u>5,391</u>	<u>40,641</u>
Cash and investments - ending	<u>\$ (9,665)</u>	<u>\$ 41</u>	<u>\$ 13,999</u>	<u>\$ (321,709)</u>	<u>\$ 5,391</u>	<u>\$ 27,893</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ (9,665)</u>	<u>\$ 41</u>	<u>\$ 13,999</u>	<u>\$ (321,709)</u>	<u>\$ 5,391</u>	<u>\$ 27,893</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ (9,665)</u>	<u>\$ 41</u>	<u>\$ 13,999</u>	<u>\$ (321,709)</u>	<u>\$ 5,391</u>	<u>\$ 27,893</u>

SCHOOL CITY OF MISHAWAKA
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
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 For the Year Ended June 30, 2009
 (Continued)

	Non-English Speaking	Buddy System	Title I	Title I 07-08 School Improvement	Title V Innovative Programs	Special Education Grants
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	14,541	-	-	-	-	-
Federal sources	-	-	1,346,381	-	14,408	3,192,497
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	89,272	-	-	-
Total receipts	14,541	-	1,435,653	-	14,408	3,192,497
Disbursements:						
Current:						
Instruction	-	-	808,735	5,314	-	2,488,707
Support services	11,991	-	580,773	(6)	13,195	600,755
Noninstructional services	-	-	15,329	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	227	-
Interfund loans	-	-	-	-	-	-
Total disbursements	11,991	-	1,404,837	5,308	13,422	3,089,462
Excess (deficiency) of receipts over disbursements	2,550	-	30,816	(5,308)	986	103,035
Other financing sources:						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,550	-	30,816	(5,308)	986	103,035
Cash and investments - beginning	8,408	177	92,510	5,308	3,771	257,268
Cash and investments - ending	<u>\$ 10,958</u>	<u>\$ 177</u>	<u>\$ 123,326</u>	<u>\$ -</u>	<u>\$ 4,757</u>	<u>\$ 360,303</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 10,958</u>	<u>\$ 177</u>	<u>\$ 123,326</u>	<u>\$ -</u>	<u>\$ 4,757</u>	<u>\$ 360,303</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 10,958</u>	<u>\$ 177</u>	<u>\$ 123,326</u>	<u>\$ -</u>	<u>\$ 4,757</u>	<u>\$ 360,303</u>

SCHOOL CITY OF MISHAWAKA
 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)

	Special Education Carryover Grants	Special Education Preschool	Safe and Drug Free	Medicaid Federal	Tech Prep	Improving Teacher Quality
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	136,199	25,496	51,019	-	264,836
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	177,902	-	-	-	-	-
Total receipts	177,902	136,199	25,496	51,019	-	264,836
Disbursements:						
Current:						
Instruction	212,772	122,797	500	-	-	213,360
Support services	-	-	22,789	70,980	-	97,476
Noninstructional services	-	-	(170)	-	-	-
Facilities acquisition and construction	-	-	3,791	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	500	-	-	7,468
Interfund loans	-	-	-	-	-	-
Total disbursements	212,772	122,797	27,410	70,980	-	318,304
Excess (deficiency) of receipts over disbursements	(34,870)	13,402	(1,914)	(19,961)	-	(53,468)
Other financing sources:						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,870)	13,402	(1,914)	(19,961)	-	(53,468)
Cash and investments - beginning	-	(2,385)	15,363	69,373	11	56,053
Cash and investments - ending	<u>\$ (34,870)</u>	<u>\$ 11,017</u>	<u>\$ 13,449</u>	<u>\$ 49,412</u>	<u>\$ 11</u>	<u>\$ 2,585</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ (34,870)</u>	<u>\$ 11,017</u>	<u>\$ 13,449</u>	<u>\$ 49,412</u>	<u>\$ 11</u>	<u>\$ 2,585</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ (34,870)</u>	<u>\$ 11,017</u>	<u>\$ 13,449</u>	<u>\$ 49,412</u>	<u>\$ 11</u>	<u>\$ 2,585</u>

SCHOOL CITY OF MISHAWAKA
 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 III LMMP	Part B Math/Science	Work Study Program	Transportation Bus Replacement	LaSalle Qualified School Construction	2004 Multischool
Receipts:						
Local sources	\$ -	\$ -	\$ 1,441	\$ 62,333	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	13,650	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	40,000	-	-
Other	-	-	-	-	-	-
Total receipts	13,650	-	1,441	102,333	-	-
Disbursements:						
Current:						
Instruction	-	(37,300)	-	-	-	-
Support services	22,547	49,218	-	99,990	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	40,000	-	-
Total disbursements	22,547	11,918	-	139,990	-	-
Excess (deficiency) of receipts over disbursements	(8,897)	(11,918)	1,441	(37,657)	-	-
Other financing sources:						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,897)	(11,918)	1,441	(37,657)	-	-
Cash and investments - beginning	10,855	11,918	4,505	41,307	1,734	15
Cash and investments - ending	\$ 1,958	\$ -	\$ 5,946	\$ 3,650	\$ 1,734	\$ 15
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,958	\$ -	\$ 5,946	\$ 3,650	\$ 1,734	\$ 15
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 1,958	\$ -	\$ 5,946	\$ 3,650	\$ 1,734	\$ 15

SCHOOL CITY OF MISHAWAKA
 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)

	Service Building	Baker Park/ MHS Stadium Construction	AO558 Construction Loan	AO568 Loan Wind Turbine Project	Repair and Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 1,845,715	\$ -	\$ 4,822,144
Intermediate sources	-	-	-	-	-	2,194
State sources	-	-	-	-	-	621,563
Federal sources	-	-	-	-	-	6,371,864
Temporary loans	-	-	-	-	-	520,000
Interfund loans	-	-	-	-	-	330,000
Other	-	-	-	16,000	-	377,443
Total receipts	-	-	-	1,861,715	-	13,045,208
Disbursements:						
Current:						
Instruction	-	-	-	-	-	6,443,371
Support services	63,899	33,548	181,060	-	-	3,641,326
Noninstructional services	-	-	-	-	-	2,111,910
Facilities acquisition and construction	33,562	2,412,860	22,475	869,860	-	3,342,548
Debt services	-	-	-	-	-	366,000
Nonprogrammed charges	-	-	-	-	-	272,398
Interfund loans	-	-	-	-	-	330,000
Total disbursements	97,461	2,446,408	203,535	869,860	-	16,507,553
Excess (deficiency) of receipts over disbursements	(97,461)	(2,446,408)	(203,535)	991,855	-	(3,462,345)
Other financing sources:						
Proceeds of long-term debt	-	-	160,289	-	-	863,137
Transfers in	-	-	-	-	-	116,137
Total other financing sources	-	-	160,289	-	-	979,274
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(97,461)	(2,446,408)	(43,246)	991,855	-	(2,483,071)
Cash and investments - beginning	83,580	1,982,277	20,772	(1,438,305)	8,737	368,457
Cash and investments - ending	\$ (13,881)	\$ (464,131)	\$ (22,474)	\$ (446,450)	\$ 8,737	\$ (2,114,614)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (13,881)	\$ (464,131)	\$ (22,474)	\$ (446,450)	\$ 8,737	\$ (2,114,614)
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ (13,881)	\$ (464,131)	\$ (22,474)	\$ (446,450)	\$ 8,737	\$ (2,114,614)

SCHOOL CITY OF MISHAWAKA
 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, 2010

	Transportation Operating	Preschool	Rainy Day	School Lunch	Textbook Rental	Joint Services Summer School	Joint Services Preschool
Receipts:							
Local sources	\$ 715,110	\$ 4,505	\$ -	\$ 760,254	\$ 239,504	\$ -	\$ 852,936
Intermediate sources	-	-	-	-	-	-	-
State sources	-	123,750	-	18,092	203,827	-	-
Federal sources	-	-	-	1,551,208	-	-	-
Temporary loans	361,000	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	109,358	-	-	-	-	575	189
Total receipts	1,185,468	128,255	-	2,329,554	443,331	575	853,125
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	856,269
Support services	570,729	-	-	176	352,769	-	607
Noninstructional services	-	-	-	2,246,888	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	500,000	-	450,000	-	-	-	-
Nonprogrammed charges	-	123,262	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	1,070,729	123,262	450,000	2,247,064	352,769	-	856,876
Excess (deficiency) of receipts over disbursements	114,739	4,993	(450,000)	82,490	90,562	575	(3,751)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	6,532	-	-
Transfers out	-	(5,253)	-	-	-	-	-
Total other financing sources (uses)	-	(5,253)	-	-	6,532	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	114,739	(260)	(450,000)	82,490	97,094	575	(3,751)
Cash and investments - beginning	215,399	260	563,440	158,538	(1,012,309)	2,865	(180,337)
Cash and investments - ending	\$ 330,138	\$ -	\$ 113,440	\$ 241,028	\$ (915,215)	\$ 3,440	\$ (184,088)
Cash and Investment Assets - Ending							
Cash and investments	\$ 330,138	\$ -	\$ 113,440	\$ 241,028	\$ (915,215)	\$ 3,440	\$ (184,088)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 330,138	\$ -	\$ 113,440	\$ 241,028	\$ (915,215)	\$ 3,440	\$ (184,088)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	330,138	-	113,440	241,028	(915,215)	3,440	(184,088)
Total cash and investment fund balance - ending	\$ 330,138	\$ -	\$ 113,440	\$ 241,028	\$ (915,215)	\$ 3,440	\$ (184,088)

SCHOOL CITY OF MISHAWAKA
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
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 For the Year Ended June 30, 2010
 (Continued)

	Joint Services In Service Clearing	Joint Services Campus Program	Historical Society	Education License Plate Fees	Alternative Education	Early Literacy Intervention	Reading Recovery
Receipts:							
Local sources	\$ -	\$ 1,985,360	\$ 64,949	\$ -	\$ -	\$ -	\$ 40,943
Intermediate sources	-	-	-	1,402	-	-	-
State sources	-	-	-	-	50,491	66,000	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	4,100	-	-	-	-
Other	-	-	-	-	-	-	1,500
Total receipts	-	1,985,360	69,049	1,402	50,491	66,000	42,443
Disbursements:							
Current:							
Instruction	-	1,024,816	-	-	21,208	-	-
Support services	-	337,512	48,263	3,033	13,268	64,880	18,193
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	1,362,328	48,263	3,033	34,476	64,880	18,193
Excess (deficiency) of receipts over disbursements	-	623,032	20,786	(1,631)	16,015	1,120	24,250
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(17,000)	-	-	-	-
Total other financing sources (uses)	-	-	(17,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	623,032	3,786	(1,631)	16,015	1,120	24,250
Cash and investments - beginning	10,222	(1,188,901)	97	2,381	(18,448)	-	(9,665)
Cash and investments - ending	\$ 10,222	\$ (565,869)	\$ 3,883	\$ 750	\$ (2,433)	\$ 1,120	\$ 14,585
Cash and Investment Assets - Ending							
Cash and investments	\$ 10,222	\$ (565,869)	\$ 3,883	\$ 750	\$ (2,433)	\$ 1,120	\$ 14,585
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,222	\$ (565,869)	\$ 3,883	\$ 750	\$ (2,433)	\$ 1,120	\$ 14,585
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,222	(565,869)	3,883	750	(2,433)	1,120	14,585
Total cash and investment fund balance - ending	\$ 10,222	\$ (565,869)	\$ 3,883	\$ 750	\$ (2,433)	\$ 1,120	\$ 14,585

SCHOOL CITY OF MISHAWAKA
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 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Isaip North Side	High Ability Discretionary Grant	Gifted and Talented	Tech Loans	YMCA Childcare	State Medicaid
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	48,912	-	-	34,376
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>48,912</u>	<u>-</u>	<u>-</u>	<u>34,376</u>
Disbursements:						
Current:						
Instruction	-	18,265	43,516	-	-	-
Support services	-	-	-	174,012	-	37,911
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>18,265</u>	<u>43,516</u>	<u>174,012</u>	<u>-</u>	<u>37,911</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(18,265)</u>	<u>5,396</u>	<u>(174,012)</u>	<u>-</u>	<u>(3,535)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	286,591	-	-
Transfers in	-	24,779	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>24,779</u>	<u>-</u>	<u>286,591</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>6,514</u>	<u>5,396</u>	<u>112,579</u>	<u>-</u>	<u>(3,535)</u>
Cash and investments - beginning	<u>41</u>	<u>-</u>	<u>13,999</u>	<u>(321,709)</u>	<u>5,391</u>	<u>27,893</u>
Cash and investments - ending	<u>\$ 41</u>	<u>\$ 6,514</u>	<u>\$ 19,395</u>	<u>\$ (209,130)</u>	<u>\$ 5,391</u>	<u>\$ 24,358</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 41	\$ 6,514	\$ 19,395	\$ (209,130)	\$ 5,391	\$ 24,358
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 41</u>	<u>\$ 6,514</u>	<u>\$ 19,395</u>	<u>\$ (209,130)</u>	<u>\$ 5,391</u>	<u>\$ 24,358</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	41	6,514	19,395	(209,130)	5,391	24,358
Total cash and investment fund balance - ending	<u>\$ 41</u>	<u>\$ 6,514</u>	<u>\$ 19,395</u>	<u>\$ (209,130)</u>	<u>\$ 5,391</u>	<u>\$ 24,358</u>

SCHOOL CITY OF MISHAWAKA
 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, 2010
 (Continued)

	Non-English Speaking	Buddy System	Title I	Title V Innovative Programs	Title I Part C Migrant Ed	Special Education Grants
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	13,490	-	-	-	-	-
Federal sources	-	-	1,615,932	-	10,000	2,969,070
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	116,912	-	-	-
Total receipts	13,490	-	1,732,844	-	10,000	2,969,070
Disbursements:						
Current:						
Instruction	12,300	-	899,211	-	-	3,062,371
Support services	10,443	-	725,675	4,757	-	464,033
Noninstructional services	-	-	15,950	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	22,743	-	1,640,836	4,757	-	3,526,404
Excess (deficiency) of receipts over disbursements	(9,253)	-	92,008	(4,757)	10,000	(557,334)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,253)	-	92,008	(4,757)	10,000	(557,334)
Cash and investments - beginning	10,958	177	123,326	4,757	-	360,303
Cash and investments - ending	\$ 1,705	\$ 177	\$ 215,334	\$ -	\$ 10,000	\$ (197,031)
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,705	\$ 177	\$ 215,334	\$ -	\$ 10,000	\$ (197,031)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,705	\$ 177	\$ 215,334	\$ -	\$ 10,000	\$ (197,031)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,705	177	215,334	-	10,000	(197,031)
Total cash and investment fund balance - ending	\$ 1,705	\$ 177	\$ 215,334	\$ -	\$ 10,000	\$ (197,031)

SCHOOL CITY OF MISHAWAKA
 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, 2010
 (Continued)

	Special Education Carryover Grants	Special Education Preschool	Safe and Drug Free	Carl Perkins Grant	Medicaid Federal	Tech Prep
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	8,825	-	-
Federal sources	-	135,363	22,328	-	60,894	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	128,551	-	-	-	-	-
Total receipts	128,551	135,363	22,328	8,825	60,894	-
Disbursements:						
Current:						
Instruction	93,681	146,380	1,559	-	-	-
Support services	-	-	25,363	8,825	67,158	-
Noninstructional services	-	-	897	-	-	-
Facilities acquisition and construction	-	-	209	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	400	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	93,681	146,380	28,428	8,825	67,158	-
Excess (deficiency) of receipts over disbursements	34,870	(11,017)	(6,100)	-	(6,264)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,870	(11,017)	(6,100)	-	(6,264)	-
Cash and investments - beginning	(34,870)	11,017	13,449	-	49,412	11
Cash and investments - ending	\$ -	\$ -	\$ 7,349	\$ -	\$ 43,148	\$ 11
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 7,349	\$ -	\$ 43,148	\$ 11
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 7,349	\$ -	\$ 43,148	\$ 11
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	7,349	-	43,148	11
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 7,349	\$ -	\$ 43,148	\$ 11

SCHOOL CITY OF MISHAWAKA
 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, 2010
 (Continued)

	Improving Teacher Quality	Title III LMMP	Work Study Program	Fiscal Stabilization Education Stimulus	Title I Stimulus	Special Education Stimulus
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	265,530	12,610	-	3,899,734	734,598	1,618,149
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	265,530	12,610	-	3,899,734	734,598	1,618,149
Disbursements:						
Current:						
Instruction	142,563	-	-	3,479,556	215,400	1,696,850
Support services	79,030	14,102	-	420,178	444,105	4,305
Noninstructional services	-	-	-	-	8,262	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	7,036	-	-	-	-	15,000
Interfund loans	-	-	-	-	-	-
Total disbursements	228,629	14,102	-	3,899,734	667,767	1,716,155
Excess (deficiency) of receipts over disbursements	36,901	(1,492)	-	-	66,831	(98,006)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,901	(1,492)	-	-	66,831	(98,006)
Cash and investments - beginning	2,585	1,958	5,946	-	-	-
Cash and investments - ending	<u>\$ 39,486</u>	<u>\$ 466</u>	<u>\$ 5,946</u>	<u>\$ -</u>	<u>\$ 66,831</u>	<u>\$ (98,006)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 39,486	\$ 466	\$ 5,946	\$ -	\$ 66,831	\$ (98,006)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 39,486</u>	<u>\$ 466</u>	<u>\$ 5,946</u>	<u>\$ -</u>	<u>\$ 66,831</u>	<u>\$ (98,006)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>39,486</u>	<u>466</u>	<u>5,946</u>	<u>-</u>	<u>66,831</u>	<u>(98,006)</u>
Total cash and investment fund balance - ending	<u>\$ 39,486</u>	<u>\$ 466</u>	<u>\$ 5,946</u>	<u>\$ -</u>	<u>\$ 66,831</u>	<u>\$ (98,006)</u>

SCHOOL CITY OF MISHAWAKA
 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, 2010
 (Continued)

	Special Education Preschool Stimulus	School Lunch Equipment Stimulus	Exempt Debt	Transportation Bus Replacement	LaSalle Qualified School Construction	2004 Multischool
Receipts:						
Local sources	\$ -	\$ -	\$ 2,823,291	\$ 128,400	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	104,068	13,000	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	500,000	-	-	-
Other	-	-	-	-	-	-
Total receipts	104,068	13,000	3,323,291	128,400	-	-
Disbursements:						
Current:						
Instruction	104,459	-	-	-	-	-
Support services	-	-	-	92,725	342,008	-
Noninstructional services	-	13,000	-	-	-	-
Facilities acquisition and construction	-	-	-	-	45,303	-
Debt services	-	-	3,379,707	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	104,459	13,000	3,379,707	92,725	387,311	-
Excess (deficiency) of receipts over disbursements	(391)	-	(56,416)	35,675	(387,311)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	236,680	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	236,680	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(391)	-	180,264	35,675	(387,311)	-
Cash and investments - beginning	-	-	-	3,650	1,734	15
Cash and investments - ending	<u>\$ (391)</u>	<u>\$ -</u>	<u>\$ 180,264</u>	<u>\$ 39,325</u>	<u>\$ (385,577)</u>	<u>\$ 15</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (391)	\$ -	\$ -	\$ 39,325	\$ (385,577)	\$ 15
Restricted assets:						
Cash and investments	-	-	180,264	-	-	-
Total cash and investment assets - ending	<u>\$ (391)</u>	<u>\$ -</u>	<u>\$ 180,264</u>	<u>\$ 39,325</u>	<u>\$ (385,577)</u>	<u>\$ 15</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 180,264	\$ -	\$ -	\$ -
Unrestricted	(391)	-	-	39,325	(385,577)	15
Total cash and investment fund balance - ending	<u>\$ (391)</u>	<u>\$ -</u>	<u>\$ 180,264</u>	<u>\$ 39,325</u>	<u>\$ (385,577)</u>	<u>\$ 15</u>

SCHOOL CITY OF MISHAWAKA
 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, 2010
 (Continued)

	Service Building	Baker Park/ MHS Stadium Construction	AO558 Construction Loan	AO568 Loan Wind Turbine Project	Repair and Replacement	Totals
Receipts:						
Local sources	\$ -	\$ 61,117	\$ 16,787	\$ 371,812	\$ -	\$ 8,064,968
Intermediate sources	-	-	-	-	-	1,402
State sources	-	-	-	-	-	567,763
Federal sources	-	-	-	-	-	13,012,484
Temporary loans	-	-	-	-	-	361,000
Interfund loans	-	-	-	-	-	504,100
Other	-	450,000	374	-	-	807,459
Total receipts	-	511,117	17,161	371,812	-	23,319,176
Disbursements:						
Current:						
Instruction	-	-	-	-	-	11,818,404
Support services	(20,876)	-	67,803	-	-	4,370,987
Noninstructional services	-	-	-	-	-	2,284,997
Facilities acquisition and construction	6,995	203,153	6,635	(11,270)	-	251,025
Debt services	-	-	-	-	-	4,329,707
Nonprogrammed charges	-	-	-	-	-	145,698
Interfund loans	-	-	-	-	-	-
Total disbursements	(13,881)	203,153	74,438	(11,270)	-	23,200,818
Excess (deficiency) of receipts over disbursements	13,881	307,964	(57,277)	383,082	-	118,358
Other financing sources (uses):						
Proceeds of long-term debt	-	-	67,803	-	-	354,394
Transfers in	-	-	-	-	-	267,991
Transfers out	-	-	-	-	-	(22,253)
Total other financing sources (uses)	-	-	67,803	-	-	600,132
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,881	307,964	10,526	383,082	-	718,490
Cash and investments - beginning	(13,881)	(464,131)	(22,474)	(446,450)	8,737	(2,114,614)
Cash and investments - ending	\$ -	\$ (156,167)	\$ (11,948)	\$ (63,368)	\$ 8,737	\$ (1,396,124)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (156,167)	\$ (11,948)	\$ (63,368)	\$ 8,737	\$ (1,576,388)
Restricted assets:						
Cash and investments	-	-	-	-	-	180,264
Total cash and investment assets - ending	\$ -	\$ (156,167)	\$ (11,948)	\$ (63,368)	\$ 8,737	\$ (1,396,124)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,264
Unrestricted	-	(156,167)	(11,948)	(63,368)	8,737	(1,576,388)
Total cash and investment fund balance - ending	\$ -	\$ (156,167)	\$ (11,948)	\$ (63,368)	\$ 8,737	\$ (1,396,124)

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

	LaSalle Donation	Education Foundations	Robert Perkins Memorial	Friends of Project	Support Staff Recognition	Elementary Library Books
Additions:						
Contributions:						
Other	\$ -	\$ 7,621	\$ -	\$ -	\$ 5,912	\$ -
Deductions:						
Administrative and general	-	11,078	-	-	5,912	-
Deficiency of total additions over total deductions	-	(3,457)	-	-	-	-
Cash and investment fund balance - beginning	390	9,027	321	863	(128)	2,035
Cash and investments - June 30	<u>\$ 390</u>	<u>\$ 5,570</u>	<u>\$ 321</u>	<u>\$ 863</u>	<u>\$ (128)</u>	<u>\$ 2,035</u>
Net assets:						
Cash and investments	\$ 390	\$ 5,570	\$ 321	\$ 863	\$ (128)	\$ 2,035
Total net assets - cash and investment basis held in trust	<u>\$ 390</u>	<u>\$ 5,570</u>	<u>\$ 321</u>	<u>\$ 863</u>	<u>\$ (128)</u>	<u>\$ 2,035</u>

SCHOOL CITY OF MISHAWAKA
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Early Literacy Clearing	General Donations	PHM Clearing	Project Lead the Way	Science Technology	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 173,000	\$ -	\$ 16,000	\$ 202,533
Deductions:						
Administrative and general	-	-	173,118	20,000	16,000	226,108
Deficiency of total additions over total deductions	-	-	(118)	(20,000)	-	(23,575)
Cash and investment fund balance - beginning	12,038	2,112	-	-	-	26,658
Cash and investments - June 30	<u>\$ 12,038</u>	<u>\$ 2,112</u>	<u>\$ (118)</u>	<u>\$ (20,000)</u>	<u>\$ -</u>	<u>\$ 3,083</u>
Net assets:						
Cash and investments	\$ 12,038	\$ 2,112	\$ (118)	\$ (20,000)	\$ -	\$ 3,083
Total net assets - cash and investment basis held in trust	<u>\$ 12,038</u>	<u>\$ 2,112</u>	<u>\$ (118)</u>	<u>\$ (20,000)</u>	<u>\$ -</u>	<u>\$ 3,083</u>

SCHOOL CITY OF MISHAWAKA
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	<u>LaSalle Donation</u>	<u>Education Foundations</u>	<u>Robert Perkins Memorial</u>	<u>Friends of Project</u>	<u>Support Staff Recognition</u>	<u>Elementary Library Books</u>
Additions:						
Contributions:						
Other	\$ -	\$ 15,007	\$ -	\$ -	\$ -	\$ -
Deductions:						
Administrative and general	-	12,500	-	-	-	-
Excess of total additions over total deductions	-	2,507	-	-	-	-
Cash and investment fund balance - beginning	<u>390</u>	<u>5,570</u>	<u>321</u>	<u>863</u>	<u>(128)</u>	<u>2,035</u>
Cash and investments - June 30	<u>\$ 390</u>	<u>\$ 8,077</u>	<u>\$ 321</u>	<u>\$ 863</u>	<u>\$ (128)</u>	<u>\$ 2,035</u>
Net assets:						
Cash and investments	<u>\$ 390</u>	<u>\$ 8,077</u>	<u>\$ 321</u>	<u>\$ 863</u>	<u>\$ (128)</u>	<u>\$ 2,035</u>
Total net assets - cash and investment basis held in trust	<u>\$ 390</u>	<u>\$ 8,077</u>	<u>\$ 321</u>	<u>\$ 863</u>	<u>\$ (128)</u>	<u>\$ 2,035</u>

SCHOOL CITY OF MISHAWAKA
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>Early Literacy Clearing</u>	<u>General Donations</u>	<u>PHM Clearing</u>	<u>Project Lead the Way</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ 34,983	\$ 49,990
Deductions:					
Administrative and general	-	-	(118)	16,089	28,471
Excess of total additions over total deductions	-	-	118	18,894	21,519
Cash and investment fund balance - beginning	<u>12,038</u>	<u>2,112</u>	<u>(118)</u>	<u>(20,000)</u>	<u>3,083</u>
Cash and investments - June 30	<u>\$ 12,038</u>	<u>\$ 2,112</u>	<u>\$ -</u>	<u>\$ (1,106)</u>	<u>\$ 24,602</u>
Net assets:					
Cash and investments	<u>\$ 12,038</u>	<u>\$ 2,112</u>	<u>\$ -</u>	<u>\$ (1,106)</u>	<u>\$ 24,602</u>
Total net assets - cash and investment basis held in trust	<u>\$ 12,038</u>	<u>\$ 2,112</u>	<u>\$ -</u>	<u>\$ (1,106)</u>	<u>\$ 24,602</u>

SCHOOL CITY OF MISHAWAKA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

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	\$ 661,535
Buildings	106,162,561
Improvements other than buildings	7,318,530
Machinery and equipment	10,882,810
Construction in progress	<u>3,839</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 125,029,275</u></u>

SCHOOL CITY OF MISHAWAKA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 As of June 30, 2010

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
John Young Middle School Expansion and North Side Elementary School	\$ 23,565,000	\$ 2,425,000
Emmons Elementary School Renovations and Outdoor Facilities	13,050,000	1,163,344
Beiger Elementary School	13,910,000	1,398,500
Textbooks	373,733	171,950
Notes and loans payable:		
Common School Loans	5,924,603	1,084,711
Floor Scrubbers	8,756	7,510
Automobile	23,223	8,048
School Buses	205,137	78,000
Bonds payable:		
General obligation bonds:		
Athletic Fields	<u>1,685,000</u>	<u>296,213</u>
Total governmental activities debt	<u>\$ 58,745,452</u>	<u>\$ 6,633,276</u>

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS

GUARANTEED ENERGY SAVINGS CONTRACT

The School Board approved Emcor on April 27, 2010, for the energy savings program. The School Corporation made the first payment on August 1, 2010, for the guaranteed energy savings improvements to Shambaugh & Sons, in the amount of \$821,000. The School Corporation paid the second payment on September 17, 2010, in the amount of \$1,116,969. Data provided to us for our audit shows that there is no signed contract with Emcor or Shambaugh & Sons for the guaranteed energy savings improvements. An unsigned, incomplete contract draft was provided to us.

The incomplete contract draft shows Shambaugh & Sons as the provider, but does not show any relationship with Emcor. The School's Business Manager explained to us that Shambaugh and Sons is a subsidiary of Emcor and that the improvements are nearly completed. He also explained that he anticipates a performance bond will accompany the signed contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

IC 36-1-12.5-3 states in part:

" . . . 'qualified provider' means the following: . . .

(F) The person submits to the school corporation or political subdivision a performance bond to ensure the qualified provider's faithful performance of the qualified provider's obligations over the term of:

- (i) the guaranteed energy savings contract; or
- (ii) the guaranteed savings contract."

LOBBYING EXPENDITURES

During the 2008-2009 school year, payments were made from the School Corporation General Fund in the amount of \$15,000 to Bonham & Associates, LLC, for lobbying activities with State legislators. During the 2009-2010 school year, \$16,007 was paid to Bonham & Associates. The contract includes services such as: "build and/or participate in coalitions with other school corporations or other allies and associations to fight or support legislation . . ." and "work with local legislators to introduce legislation . . ." The December 8, 2009 School Board meeting minutes show "It is recommended that the Board of School Trustees approve a renewal of an agreement with RJ Bonham & Associates for lobbying services on behalf of School City of Mishawaka."

The School Corporation Attorney, Michael A. Trippel, wrote in a letter dated, November 3, 2010, "The State Board of Accounts has claimed that School City's contract with RJ Bonham & Associates, LLC is in violation of the above stated guideline apparently for being what the State Board of Accounts deems to be an expenditure for political purpose or contribution. School City's argument in response is simply that the hiring of RJ Bonham & Associates is not done for any political purpose or any specific political contribution to a candidate or political committee. RJ Bonham & Associates is hired in a consultation capacity to inform and guide School City with respect to pending legislation and assist in dialogue with other school corporations and or legislators regarding the same. The employment of consultants is a specific statutory power granted to school corporations in the Indiana Code."

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS
(Continued)

Expenditures for political purposes, contributions to political campaigns, directly or indirectly, which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CONTRACTS

The School Corporation paid an individual \$80,936 and \$96,464, respectively, during the fiscal years 2008-2009 and 2009-2010, for construction consulting services and another individual \$17,553 and \$18,321, respectively, for contract labor. Neither of these payments was supported by a written contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balances of the following funds were significantly overdrawn.

Fund	6-30-09	6-30-10
Joint Services and Supply	\$ -	\$ 215,617
Textbook Rental	1,012,309	915,215
Joint Services Preschool	180,337	184,088
Joint Services Campus Program	1,188,901	565,869
Alternative Education	18,448	-
Tech Loans	321,709	209,130
Special Education Grants	-	197,031
Special Education Stimulus	-	98,006
LaSalle Qualified School Construction	-	385,577
Service Building	13,881	-
Baker Park/MHS Stadium Construction	464,131	156,167
AO558 Construction Loan	22,474	11,948
AO568 Loan/Wind Turbine Project	446,450	63,368

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)

TEXTBOOK REIMBURSEMENT FROM STATE

The textbook reimbursement claim filed with the Indiana Department of Education (IDOE) appears to be significantly less than what could have been claimed based on fees charged to students. For instance, one elementary school, Battell, shows \$13,556 textbook reimbursement received from the IDOE, but the corresponding fees for eligible students was \$38,480 which indicates the School received a IDOE reimbursement equal to approximately 35% of the fees charged to students. The reimbursement rate IDOE provided to the School Corporation was approximately 86% of amount claimed.

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS
(Continued)

We found textbook reimbursement claim calculations for 1st grade were significantly less than actual fees charged to students. The textbook portion of the fees on the claim equaled \$17.81 per student, after the IDOE 20% reduction calculation, but the actual textbook fee charged students was \$107.56.

IC 20-33-5-7 states in part:

"(b) A school corporation may receive a reimbursement from the department for some or all of the costs incurred by a school corporation during a school year in providing textbook assistance to students who are eligible under section 2 of this chapter. . . .

(d) In its request, the governing body shall certify to the department: . . .

(2) the costs incurred by the school corporation in providing:

(A) textbooks (including textbooks used in special education and high ability classes) to these students;

(B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; . . .

(4) that the amount of reimbursement requested for each textbook under subdivision (3) does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle; . . .

(f) If the amount of reimbursement requested before November 1 of a particular year exceeds the amount of money appropriated to the department for this purpose, the department shall proportionately reduce the amount of reimbursement to each school corporation."

INVESTMENT REGISTER (Applies to High School)

The High School's June 30, 2010 ledger fund balances and annual report show investments totaling \$422,430. We found investments listed in the investment register that did not agree with the investments included in the ledger fund balances and shown in the annual report. Carol Wertz/Certificate of Deposit (CD) on the annual report shows \$4,065, but the investment register shows \$5,000. The Portolese/CD shows \$20,253 on the annual report, but the investment register shows \$28,253. The Extra-Curricular Treasurer agreed to research these differences and make any necessary corrections.

As a result of our audit, the Extra-Curricular Treasurer verified each investment with the bank. She also found that the Athletic Department/CD shown as \$30,000 on the ledger fund balances and annual report, is actually \$10,000. The difference includes \$17,000 that was receipted to the records in August 2008 and \$3,000 that the Athletic Director explained was given to the High School Athletic Hall of Fame. The extra-curricular records do not show the \$3,000 investment principal receipt nor the \$3,000 donation.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS
(Continued)

The extra-curricular treasurer is required to keep an accurate account of all money received and expended, showing the source of each receipt, the purpose of each disbursement and the overall balance on hand, which is the control account for all of the activity funds. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS (Applies to High School)

The June 30, 2010 reconciliation prepared by the High School Extra-Curricular Treasurer includes \$2,109 in bad checks (NSF checks) added to the bank balance. The Treasurer was unable to provide us with a list of NSF checks to support the \$2,109 which is cash necessary to balance the bank balance with the ledger balance.

Our review of reconcilements from January 31, 2009 to June 30, 2010, shows that the amount of the bad checks has ranged from \$1,041 to \$2,236. The reconcilements do not include current month NSF check entries to support the fluctuations.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ATHLETIC MILK VENDING MACHINE (Applies to High School)

Receipts were not always deposited within a reasonable time. The ledger for the 2008-2009 and 2009-2010 school years shows \$7,699 and \$4,435, respectively, total milk vending machine receipts. The ledger shows that deposits were made approximately monthly except for one deposit during 2008-2009 and three deposits for 2009-2010 were approximately two months after the previous deposit.

The prescribed form SA-9, Accountable Items Review Form, was not used to verify the athletic vending machine sales.

IC 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DONATIONS (Applies to High School)

The High School Athletic Director gave \$3,000 from a matured investment to the High School Athletic Hall of Fame.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS
(Continued)

POP VENDING MACHINE (Applies to Beiger Elementary School)

The total Beiger Elementary School pop vending machine receipts for the 2009-2010 school year were \$821. The potential sales receipts based on product purchased during the year for resale was \$1,596 or \$775 more than actual receipts. No one maintained the Form SA-9, Accountable Items Review Form.

Accountable Items Review Form (SA-9) is prenumbered and to be prepared in duplicate by the treasurer. The original copy goes to the principal with the duplicate to be retained in numerical order by the treasurer.

Form SA-9 is to be used at least once a year at the end of the school year. The form is to be used to help account for beverages sold from vending machines. However, the form can be used at the discretion of school officials to account for other items such as, concessions, books, etc. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 SCHOOL CITY OF MISHAWAKA, ST. JOSEPH COUNTY, INDIANA

Compliance

We have audited the compliance of the School City of Mishawaka (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, 2009 and 2010. 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, 2009 and 2010.

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

November 4, 2010

SCHOOL CITY OF MISHAWAKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

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 6-30-09	Total Federal Awards Expended 6-30-10
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	7200	\$ 242,249	\$ 267,118
National School Lunch Program	10.555	7200	<u>1,211,952</u>	<u>1,418,938</u>
Total for Child Nutrition Cluster			1,454,201	1,686,056
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	7200	<u>-</u>	<u>13,000</u>
Total for federal grantor agency			<u>1,454,201</u>	<u>1,699,056</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14208-041-PY02	177,902	-
		14208-047-DY01	78,014	17,056
		14209-041-PN01	2,849,873	281,624
		14209-041-PY02	-	128,552
		14210-041-PN01	<u>-</u>	<u>3,133,816</u>
Total for Program			<u>3,105,789</u>	<u>3,561,048</u>
Special Education - Preschool Grants	84.173			
		45709-041-PN01	127,811	8,388
		45710-041-PN01	<u>-</u>	<u>135,363</u>
Total for program			<u>127,811</u>	<u>143,751</u>
ARRA - Special Education Grants to States, Recovery Act	84.391			
		33310-041-SN01	<u>-</u>	<u>1,772,999</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-041-SN01	<u>-</u>	<u>104,459</u>
Total For Special Education Cluster			<u>3,233,600</u>	<u>5,582,257</u>
Title I Cluster				
Title I Grants to Local Educational Agencies	84.010			
		09-7200	1,312,328	6,413
		10-7200	<u>-</u>	<u>1,517,510</u>
Total for program			<u>1,312,328</u>	<u>1,523,923</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-7200	<u>-</u>	<u>667,767</u>
Total for Title I Cluster			<u>1,312,328</u>	<u>2,191,690</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		<u>-</u>	<u>3,899,734</u>

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

SCHOOL CITY OF MISHAWAKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 6-30-09	Total Federal Awards Expended 6-30-10
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Elkhart Community Schools Career and Technical Education - Basic Grants to States	84.048		<u>12,225</u>	<u>8,825</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
		06-7200	15,363	-
		07-7200	12,047	13,447
		08-7200	<u>-</u>	<u>21,789</u>
Total for program			<u>27,410</u>	<u>35,236</u>
State Grants for Innovative Programs	84.298			
		06-7200	3,770	-
		07-7200	<u>9,651</u>	<u>4,757</u>
Total for program			<u>13,421</u>	<u>4,757</u>
English Language Acquisition Grants	84.365			
		2007-08	10,855	-
		2008-09	11,692	1,958
		2009-10	<u>-</u>	<u>12,144</u>
Total for program			<u>22,547</u>	<u>14,102</u>
Mathematics and Science Partnerships	84.366	6000-110	<u>11,918</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367			
		07-7200	264,836	2,584
		08-7200	<u>-</u>	<u>228,586</u>
Total for program			<u>264,836</u>	<u>231,170</u>
Total for federal grantor agency			<u>4,898,285</u>	<u>11,967,771</u>
Total federal awards expended			<u>\$ 6,352,486</u>	<u>\$ 13,666,827</u>

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

SCHOOL CITY OF MISHAWAKA
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 School City of Mishawaka (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
National School Lunch Program	10.555	\$ 126,822	\$ 134,847

SCHOOL CITY OF MISHAWAKA
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

Child Nutrition Cluster
Special Education Cluster
Title I Cluster
State Fiscal Stabilization Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$600,579

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SCHOOL CITY OF MISHAWAKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SCHOOL CITY OF MISHAWAKA
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2010, with Randy J. Squadroni, Treasurer; Daniel R. Towner, Interim Superintendent of Schools; and with Larry E. Stillson, President of the School Board. The officials concurred with our audit findings.