

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

AUDIT REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK

GREENE COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED
02/25/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards.....	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis.....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund	11
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds.....	12-13
Notes to Financial Statements	14-21
Required Supplementary Information:	
Schedule of Funding Progress	22
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	23-33
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	34-36
Combining Schedule of Cash and Investment Balances – Agency Funds	37-43
Schedule of Capital Assets.....	44
Schedule of Long-Term Debt	45
Audit Result and Comment:	
Overdrawn Cash Balances.....	46
Supplemental Audit of Federal Awards:	
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.....	48-49
Schedule of Expenditures of Federal Awards	50-51
Notes to Schedule of Expenditures of Federal Awards.....	52
Schedule of Findings and Questioned Costs	53
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	54
Exit Conference.....	55

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela Jerrells	07-01-08 to 06-30-11
Superintendent of Schools	C.G. Epple Mike Mogan	07-01-08 to 06-30-09 07-01-09 to 06-30-12
President of the School Board	James H. Yeryar	07-01-08 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL
DISTRICT OF SHAKAMAK, GREENE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Shakamak (School Corporation), as of and for the years ended June 30, 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 January 13, 2011, 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 Schedule of Funding Progress is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis, 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

January 13, 2011



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL
DISTRICT OF SHAKAMAK, GREENE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Shakamak (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 13, 2011. 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, Metropolitan School District of Shakamak 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

January 13, 2011

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,229,382	\$ -	\$ 67,720	\$ (4,161,662)
Support services	2,284,927	154,112	260,312	(1,870,503)
Noninstructional services	363,293	-	-	(363,293)
Facilities acquisition and construction	117,717	-	-	(117,717)
Debt service	574,187	-	-	(574,187)
Nonprogrammed charges	249,904	-	-	(249,904)
Total governmental activities	\$ 7,819,410	\$ 154,112	\$ 328,032	(7,337,266)
General receipts:				
Property taxes				2,384,349
Other local sources				461,998
State aid				4,996,164
Grants and contributions not restricted to specific programs				965,102
Investment earnings				21,595
Other				116,395
Total general receipts				8,945,603
Change in net assets				1,608,337
Net assets - beginning				411,809
Net assets - ending				\$ 2,020,146
 <u>Assets</u>				
Cash and investments				\$ 2,007,744
Restricted assets:				
Cash and investments				12,402
Total assets				\$ 2,020,146
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 12,402
Unrestricted				2,007,744
Total net assets				\$ 2,020,146

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<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	\$ 4,393,205	\$ -	\$ 45,883	\$ (4,347,322)
Support services	2,451,952	142,837	263,584	(2,045,531)
Noninstructional services	369,233	604,634	-	235,401
Facilities acquisition and construction	132,395	-	-	(132,395)
Debt service	547,249	-	-	(547,249)
Nonprogrammed charges	352,375	-	-	(352,375)
Total governmental activities	<u>\$ 8,246,409</u>	<u>\$ 747,471</u>	<u>\$ 309,467</u>	<u>(7,189,471)</u>
General receipts:				
Property taxes				1,868,470
Other local sources				353,378
State aid				5,901,181
Grants and contributions not restricted to specific programs				777,604
Investment earnings				19,144
Other				41,947
Total general receipts				<u>8,961,724</u>
Change in net assets				1,772,253
Net assets - beginning				<u>2,020,146</u>
Net assets - ending				<u>\$ 3,792,399</u>
Assets				
Cash and investments				\$ 2,949,113
Restricted assets:				
Cash and investments				<u>843,286</u>
Total assets				<u>\$ 3,792,399</u>
Net Assets				
Restricted for:				
Debt service				\$ 238,600
Other purposes				604,686
Unrestricted				<u>2,949,113</u>
Total net assets				<u>\$ 3,792,399</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Rainy Day	Fiscal Stabilization	Other	Totals
Receipts:					
Local sources	\$ 1,090,045	\$ -	\$ -	\$ 1,931,118	\$ 3,021,163
Intermediate sources	891	-	-	-	891
State sources	5,061,144	-	-	52,708	5,113,852
Federal sources	23,184	-	513,898	638,364	1,175,446
Other	4,613	-	-	111,782	116,395
Total receipts	6,179,877	-	513,898	2,733,972	9,427,747
Disbursements:					
Current:					
Instruction	3,868,746	-	-	360,636	4,229,382
Support services	1,561,440	-	-	723,487	2,284,927
Noninstructional services	50,107	-	-	313,186	363,293
Facilities acquisition and construction	-	-	-	117,717	117,717
Debt services	-	-	-	574,187	574,187
Nonprogrammed charges	227,102	-	-	22,802	249,904
Total disbursements	5,707,395	-	-	2,112,015	7,819,410
Excess of receipts over disbursements	472,482	-	513,898	621,957	1,608,337
Other financing sources (uses):					
Transfers in	5,153	319,069	-	112,490	436,712
Transfers out	-	-	-	(436,712)	(436,712)
Total other financing sources (uses)	5,153	319,069	-	(324,222)	-
Excess of receipts and other financing sources over disbursements and other financing uses	477,635	319,069	513,898	297,735	1,608,337
Cash and investments - beginning	157,541	312,641	-	(58,373)	411,809
Cash and investments - ending	\$ 635,176	\$ 631,710	\$ 513,898	\$ 239,362	\$ 2,020,146
Cash and Investment Assets - Ending					
Cash and investments	\$ 635,176	\$ 631,710	\$ 513,898	\$ 226,960	\$ 2,007,744
Restricted assets:					
Cash and investments	-	-	-	12,402	12,402
Total cash and investment assets - ending	\$ 635,176	\$ 631,710	\$ 513,898	\$ 239,362	\$ 2,020,146
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 12,402	\$ 12,402
Unrestricted	635,176	631,710	513,898	226,960	2,007,744
Total cash and investment fund balance - ending	\$ 635,176	\$ 631,710	\$ 513,898	\$ 239,362	\$ 2,020,146

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Rainy Day	Fiscal Stabilization	Other	Totals
Receipts:					
Local sources	\$ 63,063	\$ -	\$ -	\$ 2,320,758	\$ 2,383,821
Intermediate sources	8	-	-	-	8
State sources	5,949,752	-	-	47,491	5,997,243
Federal sources	22,990	-	179,026	788,993	991,009
Other	14,984	-	-	26,911	41,895
Total receipts	6,050,797	-	179,026	3,184,153	9,413,976
Disbursements:					
Current:					
Instruction	3,223,743	-	692,924	476,538	4,393,205
Support services	1,603,307	-	-	848,645	2,451,952
Noninstructional services	42,909	-	-	326,324	369,233
Facilities acquisition and construction	-	-	-	132,395	132,395
Debt services	-	-	-	547,249	547,249
Nonprogrammed charges	333,974	-	-	18,401	352,375
Total disbursements	5,203,933	-	692,924	2,349,552	8,246,409
Excess (deficiency) of receipts over disbursements	846,864	-	(513,898)	834,601	1,167,567
Other financing sources (uses):					
Transfers in	9,279	162,000	-	-	171,279
Transfers out	-	-	-	(171,279)	(171,279)
Total other financing sources (uses)	9,279	162,000	-	(171,279)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	856,143	162,000	(513,898)	663,322	1,167,567
Cash and investments - beginning	635,176	631,710	513,898	239,362	2,020,146
Cash and investments - ending	\$ 1,491,319	\$ 793,710	\$ -	\$ 902,684	\$ 3,187,713
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.					
					604,686
Net assets of governmental activities					\$ 3,792,399
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 1,491,319	\$ 793,710	\$ -	\$ 664,084	\$ 2,949,113
Restricted assets:					
Cash and investments	-	-	-	238,600	238,600
Total cash and investment assets - ending	\$ 1,491,319	\$ 793,710	\$ -	\$ 902,684	\$ 3,187,713
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 238,600	\$ 238,600
Unrestricted	1,491,319	793,710	-	664,084	2,949,113
Total cash and investment fund balance - ending	\$ 1,491,319	\$ 793,710	\$ -	\$ 902,684	\$ 3,187,713

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 604,634
Miscellaneous	52
Total operating receipts	604,686
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	\$ 604,686
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 604,686
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 604,686

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

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

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Investment earnings:			
Interest	\$ 4,962	\$ -	
Deductions:			
Benefits	96,101	-	
Administrative and general	-	1,005,685	
Total deductions	<u>96,101</u>	<u>1,005,685</u>	
Deficiency of total additions over total deductions	(91,139)	(1,005,685)	
Cash and investment fund balance - beginning	<u>416,929</u>	<u>1,008,654</u>	
Cash and investment fund balance - ending	<u>\$ 325,790</u>	<u>\$ 2,969</u>	<u>\$ 39,262</u>
Net assets:			
Cash and investments	<u>\$ 325,790</u>	<u>\$ 2,969</u>	<u>\$ 39,262</u>
Total net assets - cash and investment basis held in trust	<u>\$ 325,790</u>	<u>\$ 2,969</u>	<u>\$ 39,262</u>

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

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

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Investment earnings:			
Interest	\$ 1,817	\$ -	
Deductions:			
Administrative and general	80,982	360	
Excess (deficiency) of total additions over total deductions	(79,165)	(360)	
Cash and investment fund balance - beginning	325,789	2,969	
Cash and investment fund balance - ending	<u>\$ 246,624</u>	<u>\$ 2,609</u>	<u>\$ 31,882</u>
Net assets:			
Cash and investments	<u>\$ 246,624</u>	<u>\$ 2,609</u>	<u>\$ 31,882</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Metropolitan School District of Shakamak

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

Joint Venture

The School Corporation is a participant in a joint venture to operate Greene-Sullivan Special Education Cooperative which was created to provide special education services to disabled children within the participating school corporations. The School Corporation is obligated by contract to remit \$232,488 annually to supplement the Greene-Sullivan Special Education Cooperative. Complete financial statements for the Greene-Sullivan Special Education Cooperative can be obtained from Greene-Sullivan Special Education Cooperative's administrative office at 77 A St. NE, Linton, IN 47441.

The School Corporation is a participant in a joint venture to operate Twin Rivers Vocational Area which was created to provide vocational educational services to students and citizens within the jurisdiction of the participating school corporations. The School Corporation is obligated by contract to remit \$27,387 annually to supplement the Twin Rivers Vocational Area. Complete financial statements for the Twin Rivers Vocational Area can be obtained from the Twin Rivers Vocational Area's administrative office at 20 N 3rd Street, Vincennes, IN 47591.

The School Corporation is a participant in a joint venture to operate Southern Indiana Education Center which was created to operate and maintain an educational service center in order to allow participating schools to cooperate and share certain programs and services. The School Corporation is obligated by contract to remit \$2,972 annually to supplement the Southern Indiana Education Center. Complete financial statements for the Southern Indiana Education Center can be obtained from the Center's administrative office is at Southwest Dubois County School Corporation, PO Box 238, 201 W. Sunset Drive, Huntingburg, IN 47542.

The School Corporation is a participant in a joint venture to operate the Greene County Grant and Professional Development Consortium which was created to promote education and to identify and address community needs in Greene County, Indiana through the development of grant-writing skills. The School Corporation is obligated by contract to remit \$12,000 annually to supplement the Consortium. Complete financial statements for the can be obtained from the Consortium's administrative office is at White River Valley School Corporation, 5644 W State Road 54; PO Box 1470; Switz City, IN 47465.

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

Related Organizations

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds 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 Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The Fiscal Stabilization Fund accounts for federal stimulus monies received.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for health insurance provided to other departments on a cost-reimbursement basis.

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

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

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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

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

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. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

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

1. 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.

2. Operating Receipts and Disbursements

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

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

F. 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.

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.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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 are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

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

B. Cash Balance Deficits

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

Fund	2009	2010
Transportation Operating	\$ 63,494	\$ -
Textbook Rental	5,280	14,336
Child Welfare Services	2,333	5,831
Retirement/Severance Debt Service	77,234	-

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 does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$4,136,493.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
Other Governmental Funds	General Fund	\$ 5,153	\$ 9,279
	Rainy Day Fund	319,069	162,000
	Other Governmental Funds	112,490	-
Totals		<u>\$ 436,712</u>	<u>\$ 171,279</u>

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

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

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, and dependents; 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; medical benefits to; 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 for Employees. The risk financing fund is accounted for in the Health 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.

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.

B. 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

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

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 period were \$47,685.

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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 period were \$222,584.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 663,141	\$ 777,485	\$ (114,344)	85%	\$ 666,722	(17%)
07-01-08	695,830	817,329	(121,499)	85%	672,592	(18%)
07-01-09	540,190	801,929	(261,739)	67%	675,338	(39%)

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	High Ability 2007-08	High Ability 2008-09
Receipts:							
Local sources	\$ 294,718	\$ 2,832	\$ 125,487	\$ 23,549	\$ -	\$ -	\$ -
State sources	-	18,080	3,233	-	-	-	29,157
Federal sources	-	-	224,225	-	-	-	-
Other	795	-	-	-	-	-	-
Total receipts	295,513	20,912	352,945	23,549	-	-	29,157
Disbursements:							
Current:							
Instruction	-	-	-	-	-	16,547	23,667
Support services	262,183	-	-	22,743	-	-	-
Noninstructional services	-	-	312,469	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	19,250	-	-	-	-	-
Total disbursements	262,183	19,250	312,469	22,743	-	16,547	23,667
Excess (deficiency) of receipts over disbursements	33,330	1,662	40,476	806	-	(16,547)	5,490
Other financing sources (uses):							
Transfers in	71,389	15	-	-	-	-	-
Transfers out	(50,000)	-	-	-	(83,310)	-	-
Total other financing sources (uses)	21,389	15	-	-	(83,310)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	54,719	1,677	40,476	806	(83,310)	(16,547)	5,490
Cash and investments - beginning	(118,213)	12,414	85,678	(6,086)	83,310	16,547	-
Cash and investments - ending	\$ (63,494)	\$ 14,091	\$ 126,154	\$ (5,280)	\$ -	\$ -	\$ 5,490
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (63,494)	\$ 14,091	\$ 126,154	\$ (5,280)	\$ -	\$ -	\$ 5,490
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (63,494)	\$ 14,091	\$ 126,154	\$ (5,280)	\$ -	\$ -	\$ 5,490
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(63,494)	14,091	126,154	(5,280)	-	-	5,490
Total cash and investment fund balance - ending	\$ (63,494)	\$ 14,091	\$ 126,154	\$ (5,280)	\$ -	\$ -	\$ 5,490

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Tophat Program	Economic Education	Medicaid Reimbursement	Cultural Competency	School Technology	Tobacco Prevention Grant	Literacy Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	1,238	-	-	1,000	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	8,977	-	2,000
Total receipts	-	-	1,238	-	8,977	1,000	2,000
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	1,490
Support services	-	-	3,156	1,814	2,374	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	3,156	1,814	2,374	-	1,490
Excess (deficiency) of receipts over disbursements	-	-	(1,918)	(1,814)	6,603	1,000	510
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,918)	(1,814)	6,603	1,000	510
Cash and investments - beginning	22,309	149	49,276	2,446	10,478	-	-
Cash and investments - ending	\$ 22,309	\$ 149	\$ 47,358	\$ 632	\$ 17,081	\$ 1,000	\$ 510
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 22,309	\$ 149	\$ 47,358	\$ 632	\$ 17,081	\$ 1,000	\$ 510
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 22,309	\$ 149	\$ 47,358	\$ 632	\$ 17,081	\$ 1,000	\$ 510
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,309	149	47,358	632	17,081	1,000	510
Total cash and investment fund balance - ending	\$ 22,309	\$ 149	\$ 47,358	\$ 632	\$ 17,081	\$ 1,000	\$ 510

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title I FY 08	Title I FY 09	Title I School Improvement FY 08	Title V FY 09	Title V FY 07	Title V FY 08	Drug-Free School FY 08
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	18,000	278,219	10,000	-	-	7,052	4,651
Other	790	-	-	-	-	-	-
Total receipts	18,790	278,219	10,000	-	-	7,052	4,651
Disbursements:							
Current:							
Instruction	24,439	185,963	21,168	3,102	-	5,636	-
Support services	4,272	63,635	4,862	-	-	-	912
Noninstructional services	-	272	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	755	101	2,811	-
Total disbursements	28,711	249,870	26,030	3,857	101	8,447	912
Excess (deficiency) of receipts over disbursements	(9,921)	28,349	(16,030)	(3,857)	(101)	(1,395)	3,739
Other financing sources (uses):							
Transfers in	-	20,000	-	12,937	-	1,395	-
Transfers out	(20,000)	-	-	-	-	-	(1,395)
Total other financing sources (uses)	(20,000)	20,000	-	12,937	-	1,395	(1,395)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,921)	48,349	(16,030)	9,080	(101)	-	2,344
Cash and investments - beginning	29,921	-	16,030	-	101	-	-
Cash and investments - ending	\$ -	\$ 48,349	\$ -	\$ 9,080	\$ -	\$ -	\$ 2,344
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 48,349	\$ -	\$ 9,080	\$ -	\$ -	\$ 2,344
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 48,349	\$ -	\$ 9,080	\$ -	\$ -	\$ 2,344
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	48,349	-	9,080	-	-	2,344
Total cash and investment fund balance - ending	\$ -	\$ 48,349	\$ -	\$ 9,080	\$ -	\$ -	\$ 2,344

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Drug-Free School FY 09	Drug-Free School FY 07	Project Peace	Cape Grant	Child Welfare Services	Title II
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	3,642	-	-	-	-	72,575
Other	-	-	-	-	20,037	-
Total receipts	3,642	-	-	-	20,037	72,575
Disbursements:						
Current:						
Instruction	-	-	-	-	977	77,647
Support services	-	1,848	-	-	17,117	33,567
Noninstructional services	-	365	-	-	80	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	(115)	-
Total disbursements	-	2,213	-	-	18,059	111,214
Excess (deficiency) of receipts over disbursements	3,642	(2,213)	-	-	1,978	(38,639)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(1,093)	-	-	-	-	(11,845)
Total other financing sources (uses)	(1,093)	-	-	-	-	(11,845)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,549	(2,213)	-	-	1,978	(50,484)
Cash and investments - beginning	-	2,213	500	29,188	(4,311)	62,307
Cash and investments - ending	\$ 2,549	\$ -	\$ 500	\$ 29,188	\$ (2,333)	\$ 11,823
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,549	\$ -	\$ 500	\$ 29,188	\$ (2,333)	\$ 11,823
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,549	\$ -	\$ 500	\$ 29,188	\$ (2,333)	\$ 11,823
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,549	-	500	29,188	(2,333)	11,823
Total cash and investment fund balance - ending	\$ 2,549	\$ -	\$ 500	\$ 29,188	\$ (2,333)	\$ 11,823

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Project Lead the Way	Debt Service	Retirement/ Severance Debt Service	Capital Projects	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ 562,847	\$ 150,584	\$ 533,681	\$ 237,420	\$ 1,931,118
State sources	-	-	-	-	-	52,708
Federal sources	20,000	-	-	-	-	638,364
Other	-	-	-	79,183	-	111,782
Total receipts	20,000	562,847	150,584	612,864	237,420	2,733,972
Disbursements:						
Current:						
Instruction	-	-	-	-	-	360,636
Support services	-	-	-	250,346	54,658	723,487
Noninstructional services	-	-	-	-	-	313,186
Facilities acquisition and construction	-	-	-	117,717	-	117,717
Debt services	-	401,401	172,786	-	-	574,187
Nonprogrammed charges	-	-	-	-	-	22,802
Total disbursements	-	401,401	172,786	368,063	54,658	2,112,015
Excess (deficiency) of receipts over disbursements	20,000	161,446	(22,202)	244,801	182,762	621,957
Other financing sources (uses):						
Transfers in	-	2,976	624	2,162	992	112,490
Transfers out	-	(842)	-	(93,227)	(175,000)	(436,712)
Total other financing sources (uses)	-	2,134	624	(91,065)	(174,008)	(324,222)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,000	163,580	(21,578)	153,736	8,754	297,735
Cash and investments - beginning	(20,000)	(151,178)	(55,656)	(132,097)	6,301	(58,373)
Cash and investments - ending	\$ -	\$ 12,402	\$ (77,234)	\$ 21,639	\$ 15,055	\$ 239,362
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ (77,234)	\$ 21,639	\$ 15,055	\$ 226,960
Restricted assets:						
Cash and investments	-	12,402	-	-	-	12,402
Total cash and investment assets - ending	\$ -	\$ 12,402	\$ (77,234)	\$ 21,639	\$ 15,055	\$ 239,362
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ 12,402	\$ -	\$ -	\$ -	\$ 12,402
Unrestricted	-	-	(77,234)	21,639	15,055	226,960
Total cash and investment fund balance - ending	\$ -	\$ 12,402	\$ (77,234)	\$ 21,639	\$ 15,055	\$ 239,362

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	High Ability 2009-10	High Ability 2008-09
Receipts:							
Local sources	\$ 409,881	\$ -	\$ 117,569	\$ 22,007	\$ 3,725	\$ -	\$ -
State sources	-	9,625	3,289	-	-	28,841	-
Federal sources	-	-	225,618	-	-	-	-
Other	478	-	-	-	-	-	-
Total receipts	410,359	9,625	346,476	22,007	3,725	28,841	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	24,454	5,490
Support services	324,131	-	-	31,063	-	-	-
Noninstructional services	-	-	325,476	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	14,437	-	-	-	-	-
Total disbursements	324,131	14,437	325,476	31,063	-	24,454	5,490
Excess (deficiency) of receipts over disbursements	86,228	(4,812)	21,000	(9,056)	3,725	4,387	(5,490)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(9,279)	-	-	-	-	-
Total other financing sources (uses)	-	(9,279)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	86,228	(14,091)	21,000	(9,056)	3,725	4,387	(5,490)
Cash and investments - beginning	(63,494)	14,091	126,154	(5,280)	-	-	5,490
Cash and investments - ending	\$ 22,734	\$ -	\$ 147,154	\$ (14,336)	\$ 3,725	\$ 4,387	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 22,734	\$ -	\$ 147,154	\$ (14,336)	\$ 3,725	\$ 4,387	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 22,734	\$ -	\$ 147,154	\$ (14,336)	\$ 3,725	\$ 4,387	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,734	-	147,154	(14,336)	3,725	4,387	-
Total cash and investment fund balance - ending	\$ 22,734	\$ -	\$ 147,154	\$ (14,336)	\$ 3,725	\$ 4,387	\$ -

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Tophat Program	Economic Education	Medicaid Reimbursement	Cultural Competency 2007	School Technology	Tobacco Prevention Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	3,149	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	7,338	-
Total receipts	-	-	3,149	-	7,338	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	4,289	-	5,520	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	4,289	-	5,520	-
Excess (deficiency) of receipts over disbursements	-	-	(1,140)	-	1,818	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,140)	-	1,818	-
Cash and investments - beginning	22,309	149	47,358	632	17,081	1,000
Cash and investments - ending	\$ 22,309	\$ 149	\$ 46,218	\$ 632	\$ 18,899	\$ 1,000
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 22,309	\$ 149	\$ 46,218	\$ 632	\$ 18,899	\$ 1,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 22,309	\$ 149	\$ 46,218	\$ 632	\$ 18,899	\$ 1,000
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,309	149	46,218	632	18,899	1,000
Total cash and investment fund balance - ending	\$ 22,309	\$ 149	\$ 46,218	\$ 632	\$ 18,899	\$ 1,000

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Literacy Grant	Excess PTRC Distribution	Title I FY 2010	Title I FY 2009	Title V FY 2008-09	Title V FY 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	2,587	-	-	-	-
Federal sources	-	-	255,088	18,000	-	605
Other	90	-	-	-	-	-
Total receipts	90	2,587	255,088	18,000	-	605
Disbursements:						
Current:						
Instruction	600	-	210,018	50,014	5,721	-
Support services	-	-	3,665	16,335	-	-
Noninstructional services	-	-	406	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,359	605
Total disbursements	600	-	214,089	66,349	9,080	605
Excess (deficiency) of receipts over disbursements	(510)	2,587	40,999	(48,349)	(9,080)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(510)	2,587	40,999	(48,349)	(9,080)	-
Cash and investments - beginning	510	-	-	48,349	9,080	-
Cash and investments - ending	\$ -	\$ 2,587	\$ 40,999	\$ -	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 2,587	\$ 40,999	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,587	\$ 40,999	\$ -	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,587	40,999	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 2,587	\$ 40,999	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Drug-Free School FY 08	Drug-Free School FY 09	Drug-Free School FY 10	Project Peace	Cape Grant	Learn And Serve
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	4,000	-	-	12,000
Other	-	-	-	-	-	-
Total receipts	-	-	4,000	-	-	12,000
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	2,344	65	1,550	-	-	9,976
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,344	65	1,550	-	-	9,976
Excess (deficiency) of receipts over disbursements	(2,344)	(65)	2,450	-	-	2,024
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,344)	(65)	2,450	-	-	2,024
Cash and investments - beginning	2,344	2,549	-	500	29,188	-
Cash and investments - ending	\$ -	\$ 2,484	\$ 2,450	\$ 500	\$ 29,188	\$ 2,024
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 2,484	\$ 2,450	\$ 500	\$ 29,188	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	2,024
Total cash and investment assets - ending	\$ -	\$ 2,484	\$ 2,450	\$ 500	\$ 29,188	\$ 2,024
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,024
Unrestricted	-	2,484	2,450	500	29,188	-
Total cash and investment fund balance - ending	\$ -	\$ 2,484	\$ 2,450	\$ 500	\$ 29,188	\$ 2,024

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Child Welfare Services	Title II FY 2009	Title II FY 2008	Title I Stimulus	Special Education Stimulus	Special Education Preschool Stimulus
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	64,633	-	55,718	39,900	6,782
Other	18,888	-	-	-	-	-
Total receipts	18,888	64,633	-	55,718	39,900	6,782
Disbursements:						
Current:						
Instruction	7,383	48,401	7,591	9,997	39,178	5,842
Support services	14,561	61	4,232	44,217	-	-
Noninstructional services	442	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	22,386	48,462	11,823	54,214	39,178	5,842
Excess (deficiency) of receipts over disbursements	(3,498)	16,171	(11,823)	1,504	722	940
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,498)	16,171	(11,823)	1,504	722	940
Cash and investments - beginning	(2,333)	-	11,823	-	-	-
Cash and investments - ending	\$ (5,831)	\$ 16,171	\$ -	\$ 1,504	\$ 722	\$ 940
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (5,831)	\$ 16,171	\$ -	\$ 1,504	\$ 722	\$ 940
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (5,831)	\$ 16,171	\$ -	\$ 1,504	\$ 722	\$ 940
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(5,831)	16,171	-	1,504	722	940
Total cash and investment fund balance - ending	\$ (5,831)	\$ 16,171	\$ -	\$ 1,504	\$ 722	\$ 940

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Technology Stimulus	Debt Service	Retirement/ Severance Debt Service	Capital Projects	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ 569,805	\$ 290,852	\$ 751,939	\$ 154,980	\$ 2,320,758
State sources	-	-	-	-	-	47,491
Federal sources	106,649	-	-	-	-	788,993
Other	-	-	-	117	-	26,911
Total receipts	106,649	569,805	290,852	752,056	154,980	3,184,153
Disbursements:						
Current:						
Instruction	61,849	-	-	-	-	476,538
Support services	39,230	-	-	267,606	79,800	848,645
Noninstructional services	-	-	-	-	-	326,324
Facilities acquisition and construction	-	-	-	132,395	-	132,395
Debt services	-	377,756	169,493	-	-	547,249
Nonprogrammed charges	-	-	-	-	-	18,401
Total disbursements	101,079	377,756	169,493	400,001	79,800	2,349,552
Excess (deficiency) of receipts over disbursements	5,570	192,049	121,359	352,055	75,180	834,601
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(12,000)	-	(100,000)	(50,000)	(171,279)
Total other financing sources (uses)	-	(12,000)	-	(100,000)	(50,000)	(171,279)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,570	180,049	121,359	252,055	25,180	663,322
Cash and investments - beginning	-	12,402	(77,234)	21,639	15,055	239,362
Cash and investments - ending	\$ 5,570	\$ 192,451	\$ 44,125	\$ 273,694	\$ 40,235	\$ 902,684
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 5,570	\$ -	\$ -	\$ 273,694	\$ 40,235	\$ 664,084
Restricted assets:						
Cash and investments	-	192,451	44,125	-	-	238,600
Total cash and investment assets - ending	\$ 5,570	\$ 192,451	\$ 44,125	\$ 273,694	\$ 40,235	\$ 902,684
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ 192,451	\$ 44,125	\$ -	\$ -	\$ 238,600
Unrestricted	5,570	-	-	273,694	40,235	664,084
Total cash and investment fund balance - ending	\$ 5,570	\$ 192,451	\$ 44,125	\$ 273,694	\$ 40,235	\$ 902,684

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

	<u>Library Donations</u>	<u>Accelerated Reading Program</u>	<u>Boston Scientific Grant</u>	<u>Nurse Supplies Donation</u>	<u>Adult Education</u>
Deductions:					
Administrative and general	\$ -	\$ 419	\$ 4,865	\$ -	\$ -
Cash and investment fund balance - beginning	<u>1</u>	<u>789</u>	<u>5,000</u>	<u>156</u>	<u>175</u>
Cash and investments - June 30	<u>\$ 1</u>	<u>\$ 370</u>	<u>\$ 135</u>	<u>\$ 156</u>	<u>\$ 175</u>
Net assets:					
Cash and investments	<u>\$ 1</u>	<u>\$ 370</u>	<u>\$ 135</u>	<u>\$ 156</u>	<u>\$ 175</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1</u>	<u>\$ 370</u>	<u>\$ 135</u>	<u>\$ 156</u>	<u>\$ 175</u>

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

	<u>Cultural Competency</u>	<u>Local Latch Key</u>	<u>Teachers Tutoring Students</u>	<u>Temporary Loan</u>	<u>Totals</u>
Deductions:					
Administrative and general	<u>\$ 401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,005,685</u>
Cash and investment fund balance - beginning	<u>834</u>	<u>699</u>	<u>1,000</u>	<u>1,000,000</u>	<u>1,008,654</u>
Cash and investments - June 30	<u>\$ 433</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 2,969</u>
Net assets:					
Cash and investments	<u>\$ 433</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 2,969</u>
Total net assets - cash and investment basis held in trust	<u>\$ 433</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 2,969</u>

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

	Library Donations	Accelerated Reading Program	Boston Scientific Grant	Nurse Supplies Donation	Adult Education	Cultural Competency	Local Latch Key	Teachers Tutoring Students	Totals
Deductions:									
Administrative and general	\$ -	\$ 330	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ -	\$ 360
Cash and investment fund balance - beginning	<u>1</u>	<u>370</u>	<u>135</u>	<u>156</u>	<u>175</u>	<u>433</u>	<u>699</u>	<u>1,000</u>	<u>2,969</u>
Cash and investments - June 30	<u>\$ 1</u>	<u>\$ 40</u>	<u>\$ 135</u>	<u>\$ 156</u>	<u>\$ 175</u>	<u>\$ 403</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ 2,609</u>
Net assets:									
Cash and investments	<u>\$ 1</u>	<u>\$ 40</u>	<u>\$ 135</u>	<u>\$ 156</u>	<u>\$ 175</u>	<u>\$ 403</u>	<u>\$ 699</u>	<u>\$ 1,000</u>	<u>\$ 2,609</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Federal Withholding	Social Security	State Withholding	County Withholding	Teacher Retirement	PERF
Additions:						
Agency fund additions	\$ 397,730	\$ 303,669	\$ 128,171	\$ 38,552	\$ 20,165	\$ 21,322
Deductions:						
Agency fund deductions	397,730	303,669	128,275	38,622	20,142	20,985
Excess (deficiency) of total additions over total deductions	-	-	(104)	(70)	23	337
Cash and investment fund balance - beginning	-	-	9,666	2,927	5,413	5,674
Cash and investment fund balance - ending	\$ -	\$ -	\$ 9,562	\$ 2,857	\$ 5,436	\$ 6,011

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Life/Dental/ Vision Insurance	Annuities	Cancer Insurance	ISTA Dues	Disability Insurance	Textbook Reimbursement
Additions:						
Agency fund additions	\$ 228,398	\$ 146,505	\$ 24,017	\$ 31,128	\$ 7,673	\$ -
Deductions:						
Agency fund deductions	210,944	146,549	23,690	31,128	7,685	474
Excess (deficiency) of total additions over total deductions	17,454	(44)	327	-	(12)	(474)
Cash and investment fund balance - beginning	-	72	(25)	-	-	474
Cash and investment fund balance - ending	<u>\$ 17,454</u>	<u>\$ 28</u>	<u>\$ 302</u>	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Childcare Medical Reimbursement	Life Insurance	Long Term Care	Accident Insurance	Roth IRA	Lunchroom
Additions: Agency fund additions	\$ 4,759	\$ 6,661	\$ 312	\$ 1,757	\$ 5,000	\$ 232,579
Deductions: Agency fund deductions	<u>4,759</u>	<u>6,661</u>	<u>312</u>	<u>1,757</u>	<u>5,000</u>	<u>233,112</u>
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	(533)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (533)</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Child Support	Learn & Serve	Misc	Wage Garnishment	Life Fringe	Totals
Additions:						
Agency fund additions	\$ 6,760	\$ -	\$ 2,620	\$ 3,197	\$ 7,403	\$ 1,618,378
Deductions:						
Agency fund deductions	6,760	1,990	28,443	3,197	7,309	1,629,193
Excess (deficiency) of total additions over total deductions	-	(1,990)	(25,823)	-	94	(10,815)
Cash and investment fund balance - beginning	-	1,990	23,980	-	(94)	50,077
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,843)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,262</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	Federal Withholding	Social Security Tax	State Withholding	County Withholding	Teacher Retirement	PERF	Health/Life Dental/Vision Insurance
Additions:							
Agency fund additions	\$ 373,229	\$ 294,180	\$ 126,414	\$ 42,768	\$ 17,459	\$ 20,452	\$ 271,921
Deductions:							
Agency fund deductions	373,229	294,180	126,020	41,788	18,729	21,499	281,511
Excess (deficiency) of total additions over total deductions	-	-	394	980	(1,270)	(1,047)	(9,590)
Cash and investment fund balance - beginning	-	-	9,562	2,857	5,436	6,011	17,454
Cash and investment fund balance - ending	\$ -	\$ -	\$ 9,956	\$ 3,837	\$ 4,166	\$ 4,964	\$ 7,864

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Annuities	Cancer Insurance	ISTA Dues	Disability Insurance	Childcare Medical Reimbursement	Life Insurance	Long-Term Care
Additions:							
Agency fund additions	\$ 113,242	\$ 24,899	\$ 30,261	\$ 6,866	\$ 7,432	\$ 12,535	\$ 312
Deductions:							
Agency fund deductions	113,242	25,168	30,261	6,854	7,432	12,502	312
Excess (deficiency) of total additions over total deductions	-	(269)	-	12	-	33	-
Cash and investment fund balance - beginning	28	302	-	(12)	-	-	-
Cash and investment fund balance - ending	<u>\$ 28</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Accident Insurance	Lunchroom	Child Support	Misc	Sentry Reimbursement	Life Fringe	Totals
Additions:							
Agency fund additions	\$ 4,858	\$ 248,591	\$ 16,052	\$ 3,638	\$ 869	\$ 5,048	\$ 1,621,026
Deductions:							
Agency fund deductions	4,858	248,058	16,052	1,295	368	5,048	1,628,406
Excess (deficiency) of total additions over total deductions	-	533	-	2,343	501	-	(7,380)
Cash and investment fund balance - beginning	-	(533)	-	(1,843)	-	-	39,262
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 500	\$ 501	\$ -	\$ 31,882

MIKE MOGAN, SUPERINTENDENT
PAMELA J. JERRELLS, TREASURER
BRENDA E. CULLER, PAYROLL-DEPUTY TREASURER
VICKI MCCRACKEN, SECRETARY



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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For the Year Ended 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	\$ 68,000
Buildings	9,844,605
Improvements other than buildings	2,356,213
Machinery and equipment	<u>1,501,323</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 13,770,141</u>

MIKE MOGAN, SUPERINTENDENT
PAMELA J. JERRELLS, TREASURER
BRENDA E. CULLER, PAYROLL-DEPUTY TREASURER
VICKI MCCRACKEN, SECRETARY



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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2010

The School District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable:		
A0290	\$ 36,742	\$ 37,844
A0408	901,914	173,445
A0484	1,071,580	116,026
Bonds payable:		
2006 Pension Bonds	1,795,000	176,059
Total governmental activities debt	\$ 3,805,236	\$ 503,375

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the Transportation Operating Fund and Retirement/Severance Debt Service Fund was overdrawn at June 30, 2009, and the Textbook Rental Fund and Child Welfare Services Fund was overdrawn at June 30, 2009 and 2010.

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL
DISTRICT OF SHAKAMAK, GREENE COUNTY, INDIANA

Compliance

We have audited the compliance of the Metropolitan School District of Shakamak (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 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, Metropolitan School District of Shakamak 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

January 13, 2011

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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 06-30-09	Total Federal Awards Expended 06-30-10
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 55,562	\$ 53,279
National School Lunch Program	10.555		<u>190,473</u>	<u>243,220</u>
Total for cluster			<u>246,035</u>	<u>296,499</u>
Total for federal grantor agency			<u>246,035</u>	<u>296,499</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 07-08			48,711	-
FY 08-09			249,870	66,349
FY 09-10			<u>-</u>	<u>214,089</u>
Total for program			<u>298,581</u>	<u>280,438</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>-</u>	<u>54,214</u>
Total for cluster			<u>298,581</u>	<u>334,652</u>
Educational Technology State Grants Cluster				
Education Technology State Grants	84.318		42,333	-
ARRA - Education Technology State Grants, Recovery Act	84.386		<u>-</u>	<u>101,080</u>
Total for cluster			<u>42,333</u>	<u>101,080</u>
Pass-Through Greene-Sullivan Special Education Cooperative Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
FY 07-08			23,184	-
FY 09-10			<u>-</u>	<u>22,990</u>
Total for program			<u>23,184</u>	<u>22,990</u>
Pass-Through Indiana Department of Education Special Education - Preschool Grants	84.173			
FY 08-09			18,081	-
FY 09-10			<u>-</u>	<u>9,625</u>
Total for program			<u>18,081</u>	<u>9,625</u>
Pass-Through Greene-Sullivan Special Education Cooperative ARRA - Special Education - Grants to States, Recovery Act	84.391		<u>-</u>	<u>39,178</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392		<u>-</u>	<u>5,842</u>
Total for cluster			<u>41,265</u>	<u>77,635</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		-	692,924
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 06-07			2,213	-
FY 07-08			2,307	2,344
FY 08-09			1,093	65
FY 09-10			-	1,550
Total for program			<u>5,613</u>	<u>3,959</u>
State Grants for Innovative Programs	84.298			
FY 06-07			101	-
FY 07-08			8,447	605
FY 08-09			3,858	9,080
Total for program			<u>12,406</u>	<u>9,685</u>
Improving Teacher Quality State Grants	84.367			
FY 07-08			9,223	2,876
FY 08-09			56,769	8,867
FY 09-10			-	48,461
Total for program			<u>65,992</u>	<u>60,204</u>
School Improvement Grants Cluster				
School Improvement Grants	84.377		26,030	-
Total for federal grantor agency			<u>492,220</u>	<u>1,280,139</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Education				
Child Welfare Services - State Grants				
FY 08-09	93.645		-	12,373
FY 09-10			-	10,013
Total for federal grantor agency			<u>-</u>	<u>22,386</u>
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004		-	9,976
Total federal awards expended			<u>\$ 738,255</u>	<u>\$ 1,609,000</u>

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

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metropolitan School District of Shakamak (School Corporation) and is presented in accordance with the 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
School Breakfast Program	10.553	\$ 4,925	\$ 4,815
National School Lunch Program	10.555	16,885	17,602

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? no
Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
Material weaknesses identified? no
Significant deficiencies identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF SHAKAMAK
EXIT CONFERENCE

The contents of this report were discussed on January 13, 2011, with Pamela Jerrells, Treasurer. The official concurred with our audit finding.

The contents of this report were discussed, via telephone, on January 26, 2011, with Mike Mogan, Superintendent of Schools. The official concurred with our audit finding.