

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

AUDIT REPORT  
OF

METROPOLITAN SCHOOL DISTRICT  
OF STEUBEN COUNTY  
STEUBEN COUNTY, INDIANA

July 1, 2008 to June 30, 2010



**FILED**  
02/28/2011



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry Rowe	07-01-08 to 06-30-11
Business Manager	Monte VanGessel	07-01-08 to 06-30-11
Superintendent of Schools	Dr. David Goodwin Dr. Brent Wilson	07-01-08 to 06-30-10 07-01-10 to 06-30-11
President of the School Board	Glen Armev	07-01-08 to 06-30-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF STEUBEN COUNTY, STEUBEN 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 Steuben County (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 26, 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 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, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, 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 26, 2011



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF STEUBEN COUNTY, STEUBEN 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 Steuben County (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 26, 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, 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

January 26, 2011

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
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>	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 13,866,005	\$ -	\$ 428,244	\$ (13,437,761)	
Support services	9,962,974	773,692	783,829	(8,405,453)	
Noninstructional services	1,660,901	-	-	(1,660,901)	
Facilities acquisition and construction	1,891,566	-	-	(1,891,566)	
Debt service	8,537,214	-	-	(8,537,214)	
Nonprogrammed charges	390,573	-	-	(390,573)	
Total governmental activities	\$ 36,309,233	\$ 773,692	\$ 1,212,073	(34,323,468)	
General receipts:					
Property taxes				16,810,426	
Other local sources				2,490,994	
State aid				11,621,653	
Bonds and loans				1,817,708	
Grants and contributions not restricted to specific programs				2,230,916	
Sale of property				962	
Investment earnings				87,205	
Other				2,440	
Total general receipts				35,062,304	
Change in net assets				738,836	
Net assets - beginning				4,205,923	
Net assets - ending				\$ 4,944,759	
<u>Assets</u>					
Cash and investments				\$ 4,432,075	
Restricted assets:					
Cash and investments				512,684	
Total assets				\$ 4,944,759	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 512,684	
Unrestricted				4,432,075	
Total net assets				\$ 4,944,759	

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 13,843,965	\$ -	\$ 341,898	\$ (13,502,067)
Support services	10,138,879	694,655	883,890	(8,560,334)
Noninstructional services	1,685,722	-	-	(1,685,722)
Facilities acquisition and construction	1,726,644	-	-	(1,726,644)
Debt service	6,412,540	-	-	(6,412,540)
Nonprogrammed charges	538,429	-	-	(538,429)
<b>Total governmental activities</b>	<b><u>\$ 34,346,179</u></b>	<b><u>\$ 694,655</u></b>	<b><u>\$ 1,225,788</u></b>	<b><u>(32,425,736)</u></b>
General receipts:				
Property taxes				14,911,302
Other local sources				2,047,791
State aid				17,390,139
Bonds and loans				1,212,990
Grants and contributions not restricted to specific programs				2,146,828
Sale of property				11,958
Investment earnings				25,318
<b>Total general receipts</b>				<b><u>37,746,326</u></b>
Change in net assets				5,320,590
Net assets - beginning				<u>4,944,759</u>
Net assets - ending				<b><u>\$ 10,265,349</u></b>
<u>Assets</u>				
Cash and investments				\$ 7,543,498
Restricted assets:				
Cash and investments				<u>2,721,851</u>
<b>Total assets</b>				<b><u>\$ 10,265,349</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,721,851
Unrestricted				<u>7,543,498</u>
<b>Total net assets</b>				<b><u>\$ 10,265,349</u></b>

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

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

	General	Rainy Day	ARRA - Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 8,308,121	\$ -	\$ -	\$ 4,494,086	\$ 3,249,457	\$ 4,109,109	\$ 20,160,773
Intermediate sources	303	-	-	-	-	1,238	1,541
State sources	11,932,011	-	-	-	-	407,941	12,339,952
Federal sources	-	-	1,523,600	-	-	1,201,089	2,724,689
Temporary loans	-	-	-	-	1,557,724	259,984	1,817,708
Other	2,444	-	-	-	-	-	2,444
<b>Total receipts</b>	<b>20,242,879</b>	<b>-</b>	<b>1,523,600</b>	<b>4,494,086</b>	<b>4,807,181</b>	<b>5,979,361</b>	<b>37,047,107</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	12,393,395	-	636,397	-	-	836,213	13,866,005
Support services	5,645,900	-	291,358	-	1,693,213	2,332,503	9,962,974
Noninstructional services	322,641	-	-	-	-	1,338,260	1,660,901
Facilities acquisition and construction	-	-	-	-	1,861,222	30,344	1,891,566
Debt services	2,579,217	-	-	4,477,570	500,000	980,427	8,537,214
Nonprogrammed charges	390,573	-	-	-	-	-	390,573
<b>Total disbursements</b>	<b>21,331,726</b>	<b>-</b>	<b>927,755</b>	<b>4,477,570</b>	<b>4,054,435</b>	<b>5,517,747</b>	<b>36,309,233</b>
Excess (deficiency) of receipts over disbursements	(1,088,847)	-	595,845	16,516	752,746	461,614	737,874
<b>Other financing sources (uses):</b>							
Sale of capital assets	962	-	-	-	-	-	962
Transfers in	69,455	750,000	-	-	-	45,405	864,860
Transfers out	-	-	-	-	(150,000)	(714,860)	(864,860)
<b>Total other financing sources (uses)</b>	<b>70,417</b>	<b>750,000</b>	<b>-</b>	<b>-</b>	<b>(150,000)</b>	<b>(669,455)</b>	<b>962</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,018,430)	750,000	595,845	16,516	602,746	(207,841)	738,836
Cash and investments - beginning	1,966,113	250,000	-	452,351	(300,903)	1,838,362	4,205,923
Cash and investments - ending	\$ 947,683	\$ 1,000,000	\$ 595,845	\$ 468,867	\$ 301,843	\$ 1,630,521	\$ 4,944,759
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 947,683	\$ 1,000,000	\$ 595,845	\$ -	\$ 301,843	\$ 1,586,704	\$ 4,432,075
Restricted assets:							
Cash and investments	-	-	-	468,867	-	43,817	512,684
<b>Total cash and investment assets - ending</b>	<b>\$ 947,683</b>	<b>\$ 1,000,000</b>	<b>\$ 595,845</b>	<b>\$ 468,867</b>	<b>\$ 301,843</b>	<b>\$ 1,630,521</b>	<b>\$ 4,944,759</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 468,867	\$ -	\$ 43,817	\$ 512,684
Unrestricted	947,683	1,000,000	595,845	-	301,843	1,586,704	4,432,075
<b>Total cash and investment fund balance - ending</b>	<b>\$ 947,683</b>	<b>\$ 1,000,000</b>	<b>\$ 595,845</b>	<b>\$ 468,867</b>	<b>\$ 301,843</b>	<b>\$ 1,630,521</b>	<b>\$ 4,944,759</b>

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

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

	General	Rainy Day	ARRA - Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 460,630	\$ -	\$ -	\$ 6,429,903	\$ 4,638,245	\$ 6,149,668	\$ 17,678,446
Intermediate sources	39	-	-	-	-	581	620
State sources	17,669,663	-	-	-	-	320,280	17,989,943
Federal sources	-	-	616,749	-	-	2,156,063	2,772,812
Temporary loans	-	-	-	-	1,212,990	-	1,212,990
<b>Total receipts</b>	<b>18,130,332</b>	<b>-</b>	<b>616,749</b>	<b>6,429,903</b>	<b>5,851,235</b>	<b>8,626,592</b>	<b>39,654,811</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	11,755,478	-	858,531	-	-	1,229,956	13,843,965
Support services	5,311,136	-	354,063	-	1,462,292	3,011,388	10,138,879
Noninstructional services	332,194	-	-	-	-	1,353,528	1,685,722
Facilities acquisition and construction	-	-	-	-	1,678,377	48,267	1,726,644
Debt services	-	-	-	4,309,074	1,193,132	910,334	6,412,540
Nonprogrammed charges	401,766	-	-	-	-	136,663	538,429
<b>Total disbursements</b>	<b>17,800,574</b>	<b>-</b>	<b>1,212,594</b>	<b>4,309,074</b>	<b>4,333,801</b>	<b>6,690,136</b>	<b>34,346,179</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>329,758</b>	<b>-</b>	<b>(595,845)</b>	<b>2,120,829</b>	<b>1,517,434</b>	<b>1,936,456</b>	<b>5,308,632</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	11,958	-	-	-	-	-	11,958
Transfers in	181,346	580,000	-	-	-	367,157	1,128,503
Transfers out	(3,299)	-	-	(215,107)	(98,196)	(811,901)	(1,128,503)
<b>Total other financing sources (uses)</b>	<b>190,005</b>	<b>580,000</b>	<b>-</b>	<b>(215,107)</b>	<b>(98,196)</b>	<b>(444,744)</b>	<b>11,958</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>519,763</b>	<b>580,000</b>	<b>(595,845)</b>	<b>1,905,722</b>	<b>1,419,238</b>	<b>1,491,712</b>	<b>5,320,590</b>
<b>Cash and investments - beginning</b>	<b>947,683</b>	<b>1,000,000</b>	<b>595,845</b>	<b>468,867</b>	<b>301,843</b>	<b>1,630,521</b>	<b>4,944,759</b>
<b>Cash and investments - ending</b>	<b>\$ 1,467,446</b>	<b>\$ 1,580,000</b>	<b>\$ -</b>	<b>\$ 2,374,589</b>	<b>\$ 1,721,081</b>	<b>\$ 3,122,233</b>	<b>\$ 10,265,349</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 1,467,446	\$ 1,580,000	\$ -	\$ -	\$ 1,721,081	\$ 2,774,971	\$ 7,543,498
Restricted assets:							
Cash and investments	-	-	-	2,374,589	-	347,262	2,721,851
<b>Total cash and investment assets - ending</b>	<b>\$ 1,467,446</b>	<b>\$ 1,580,000</b>	<b>\$ -</b>	<b>\$ 2,374,589</b>	<b>\$ 1,721,081</b>	<b>\$ 3,122,233</b>	<b>\$ 10,265,349</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 2,374,589	\$ -	\$ 347,262	\$ 2,721,851
Unrestricted	1,467,446	1,580,000	-	-	1,721,081	2,774,971	7,543,498
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,467,446</b>	<b>\$ 1,580,000</b>	<b>\$ -</b>	<b>\$ 2,374,589</b>	<b>\$ 1,721,081</b>	<b>\$ 3,122,233</b>	<b>\$ 10,265,349</b>

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

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

	Pension Trust Funds	Agency Fund
Additions:		
Contributions:		
Other	<u>\$ 252,917</u>	
Deductions:		
Benefits	<u>37,574</u>	
Excess of total additions over total deductions	215,343	
Cash and investment fund balance - beginning	<u>255,359</u>	
Cash and investment fund balance - ending	<u><u>\$ 470,702</u></u>	<u><u>\$ 1,621</u></u>
Net assets:		
Cash and investments	<u>\$ 470,702</u>	<u>\$ 1,621</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 470,702</u></u>	<u><u>\$ 1,621</u></u>

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

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

	Pension Trust Funds	Agency Fund
Additions:		
Contributions:		
Other	\$ 6,200	
Deductions:		
Benefits	317,584	
Deficiency of total additions over total deductions	(311,384)	
Cash and investment fund balance - beginning	470,702	
Cash and investment fund balance - ending	\$ 159,318	\$ 589
Net assets:		
Cash and investments	\$ 159,318	\$ 589
Total net assets - cash and investment basis held in trust	\$ 159,318	\$ 589

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Metropolitan School District of Steuben County

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 Northeast Indiana Special Education Cooperative which was created to provide programs and services for children with special needs. The School Corporation is obligated by contract to remit an amount annually to supplement the Northeast Indiana Special Education Cooperative. Complete financial statements for the Northeast Indiana Special Education Cooperative can be obtained from DeKalb County Eastern Community School District, 300 East Washington Street, Butler, Indiana, 46721.

The School Corporation is a participant in a joint venture to operate Four County Area Vocational Cooperative which was created to provide vocational education to students. The School Corporation is obligated by contract to remit an amount annually to supplement the Four County Area Vocational Cooperative. Complete financial statements for the Four County Area Vocational Cooperative can be obtained from Garrett-Kaiser-Butler Community School District, 801 Houston Street, Garrett, Indiana, 46738.

The School Corporation is a participant in a joint venture to operate Educational Opportunity Center Cooperative which was created to provide alternative means of achieving high school credit. The School Corporation is obligated by contract to remit an amount annually to supplement the Educational Opportunity Center Cooperative. The financial activities of the Educational Opportunity Center Cooperative are represented in the Educational Opportunity Center Fund, a special revenue fund type.

Related Organizations

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
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.

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 rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

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

The 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 of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the school cooperation in a trustee capacity.

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
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

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

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

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.

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

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity, 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. 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 STEUBEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Cash Balance Deficits

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

Fund	2010
English Language Acquisition FY 09/10	\$ 1,651
ARRA Title I	8,845

These deficits arose from disbursements exceeding receipts due to grant reimbursements not yet received.

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 \$10,425,256.

Of the deposit balances, \$4,107,331 was insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The remaining \$6,317,925 was deposited in the TrustINdiana Fund which is administered by the Treasurer of the State of Indiana.

B. Interfund Transfers

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

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ -	\$ 3,299
Debt Service Fund	Rainy Day Fund	-	80,000
	Other Governmental Funds	-	135,107
Capital Projects Fund	Rainy Day Fund	150,000	-
	Other Governmental Funds	-	98,196
Other Governmental Funds	General Fund	69,455	181,346
	Rainy Day Fund	600,000	500,000
	Other Governmental Funds	45,405	130,555
Totals		\$ 864,860	\$ 1,128,503

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from 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. Holding Corporations

The School Corporation has entered into capital leases with Metropolitan School District of Steuben County Building Corporation, Metropolitan School District of Steuben County K-5 Building Corporation, and Angola Middle School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ending June 30, 2009 and 2010, totaled \$4,372,093 and \$4,274,251, respectively.

C. Other Postemployment Benefits

In addition to the pension benefits described in Note IV.D., the School Corporation provides postemployment health benefits, as authorized by IC 5-10-8, to all employees who retire from the School Corporation on or after attaining age allowed by Indiana State 85 Rule with at least 20 years of service. For the years ended June 30, 2009 and 2010, the number of retirees that met these eligibility requirements was 13 and 11, respectively. The School Corporation provides the sum equal to the school corporation contribution of the health insurance plan at the time of the employee's retirement. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. For the years ended June 30, 2009 and 2010, disbursements of \$98,970 and \$37,574, respectively, were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State 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

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

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 period were \$545,290.

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

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

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 \$704,580.

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

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	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	\$ 3,678,381	\$ 4,396,136	\$ (717,755)	84%	\$ 3,198,434	(22%)
07-01-08	3,891,488	4,929,134	(1,037,646)	79%	3,386,876	(31%)
07-01-09	3,935,731	5,414,553	(1,478,822)	73%	3,704,815	(40%)

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

	Transportation Operating	Special Education Preschool	Food Service	Textbook Rental	After School Child Care	Educational License Plates
<b>Receipts:</b>						
Local sources	\$ 1,460,385	\$ 22,302	\$ 639,097	\$ 202,718	\$ 57,884	\$ -
Intermediate sources	-	-	-	-	-	1,238
State sources	-	84,786	14,949	99,501	-	-
Federal sources	-	-	669,308	-	-	-
Temporary loans	-	-	-	-	-	-
<b>Total receipts</b>	<u>1,460,385</u>	<u>107,088</u>	<u>1,323,354</u>	<u>302,219</u>	<u>57,884</u>	<u>1,238</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	110,057	-	-	-	-
Support services	1,488,656	-	271	435,391	-	96
Noninstructional services	-	-	1,272,423	-	65,096	-
Facilities acquisition and construction	-	-	30,344	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>1,488,656</u>	<u>110,057</u>	<u>1,303,038</u>	<u>435,391</u>	<u>65,096</u>	<u>96</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(28,271)</u>	<u>(2,969)</u>	<u>20,316</u>	<u>(133,172)</u>	<u>(7,212)</u>	<u>1,142</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(180,000)	(49,455)	(20,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(180,000)</u>	<u>(49,455)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(208,271)</u>	<u>(52,424)</u>	<u>316</u>	<u>(133,172)</u>	<u>(7,212)</u>	<u>1,142</u>
<b>Cash and investments - beginning</b>	<u>258,204</u>	<u>368,759</u>	<u>449,996</u>	<u>369,300</u>	<u>15,831</u>	<u>10,741</u>
<b>Cash and investments - ending</b>	<u>\$ 49,933</u>	<u>\$ 316,335</u>	<u>\$ 450,312</u>	<u>\$ 236,128</u>	<u>\$ 8,619</u>	<u>\$ 11,883</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 49,933	\$ 316,335	\$ 450,312	\$ 236,128	\$ 8,619	\$ 11,883
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 49,933</u>	<u>\$ 316,335</u>	<u>\$ 450,312</u>	<u>\$ 236,128</u>	<u>\$ 8,619</u>	<u>\$ 11,883</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	49,933	316,335	450,312	236,128	8,619	11,883
<b>Total cash and investment fund balance - ending</b>	<u>\$ 49,933</u>	<u>\$ 316,335</u>	<u>\$ 450,312</u>	<u>\$ 236,128</u>	<u>\$ 8,619</u>	<u>\$ 11,883</u>

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

	Educational Opportunity Center	School Safe Haven	Early Intervention Grant	Miscellaneous Donations	Miscellaneous Grants	FIST Grants
<b>Receipts:</b>						
Local sources	\$ 265,830	\$ -	\$ -	\$ 1,000	\$ 744	\$ 4,071
Intermediate sources	-	-	-	-	-	-
State sources	20,022	32,640	24,357	-	200	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
<b>Total receipts</b>	<u>285,852</u>	<u>32,640</u>	<u>24,357</u>	<u>1,000</u>	<u>944</u>	<u>4,071</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	286,940	-	-	-	683	4,182
Support services	-	35,688	24,357	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>286,940</u>	<u>35,688</u>	<u>24,357</u>	<u>-</u>	<u>683</u>	<u>4,182</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(1,088)</u>	<u>(3,048)</u>	<u>-</u>	<u>1,000</u>	<u>261</u>	<u>(111)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(1,088)</u>	<u>(3,048)</u>	<u>-</u>	<u>1,000</u>	<u>261</u>	<u>(111)</u>
<b>Cash and investments - beginning</b>	<u>3,003</u>	<u>6,927</u>	<u>2,000</u>	<u>447</u>	<u>-</u>	<u>704</u>
<b>Cash and investments - ending</b>	<u>\$ 1,915</u>	<u>\$ 3,879</u>	<u>\$ 2,000</u>	<u>\$ 1,447</u>	<u>\$ 261</u>	<u>\$ 593</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,915	\$ 3,879	\$ 2,000	\$ 1,447	\$ 261	\$ 593
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,915</u>	<u>\$ 3,879</u>	<u>\$ 2,000</u>	<u>\$ 1,447</u>	<u>\$ 261</u>	<u>\$ 593</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,915</u>	<u>3,879</u>	<u>2,000</u>	<u>1,447</u>	<u>261</u>	<u>593</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,915</u>	<u>\$ 3,879</u>	<u>\$ 2,000</u>	<u>\$ 1,447</u>	<u>\$ 261</u>	<u>\$ 593</u>

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

	Professional Development	F. K. McCutchan	Coca Cola Commissions	Gifted/Talented FY 06/07	Middle College FY 09/10	Gifted/Talented FY 08/09
<b>Receipts:</b>						
Local sources	\$ -	\$ 149	\$ 5,261	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	39,268	-	-	-	21,000	38,580
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
<b>Total receipts</b>	<b>39,268</b>	<b>149</b>	<b>5,261</b>	<b>-</b>	<b>21,000</b>	<b>38,580</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	40,000	-	38,580
Support services	49,599	-	5,350	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>49,599</b>	<b>-</b>	<b>5,350</b>	<b>40,000</b>	<b>-</b>	<b>38,580</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(10,331)</b>	<b>149</b>	<b>(89)</b>	<b>(40,000)</b>	<b>21,000</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(10,331)</b>	<b>149</b>	<b>(89)</b>	<b>(40,000)</b>	<b>21,000</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>52,563</b>	<b>1</b>	<b>3,299</b>	<b>40,000</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 42,232</b>	<b>\$ 150</b>	<b>\$ 3,210</b>	<b>\$ -</b>	<b>\$ 21,000</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 42,232	\$ 150	\$ 3,210	\$ -	\$ 21,000	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 42,232</b>	<b>\$ 150</b>	<b>\$ 3,210</b>	<b>\$ -</b>	<b>\$ 21,000</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	42,232	150	3,210	-	21,000	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 42,232</b>	<b>\$ 150</b>	<b>\$ 3,210</b>	<b>\$ -</b>	<b>\$ 21,000</b>	<b>\$ -</b>

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

	Non-English Speaking Program FY 08/09	School Technology	2nd Grade Laptop Program	Title I FY 07/08	Title I FY 08/09
<b>Receipts:</b>					
Local sources	\$ -	\$ 35,889	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	19,038	-	13,530	-	-
Federal sources	-	-	-	52,500	341,690
Temporary loans	-	-	-	-	-
<b>Total receipts</b>	<u>19,038</u>	<u>35,889</u>	<u>13,530</u>	<u>52,500</u>	<u>341,690</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	18,194	-	13,435	50,821	245,018
Support services	-	64,080	-	294	80,692
Noninstructional services	-	-	-	-	741
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>18,194</u>	<u>64,080</u>	<u>13,435</u>	<u>51,115</u>	<u>326,451</u>
Excess (deficiency) of receipts over disbursements	<u>844</u>	<u>(28,191)</u>	<u>95</u>	<u>1,385</u>	<u>15,239</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	45,405
Transfers out	-	-	-	(45,405)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,405)</u>	<u>45,405</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	844	(28,191)	95	(44,020)	60,644
Cash and investments - beginning	<u>6,118</u>	<u>101,132</u>	<u>-</u>	<u>44,020</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,962</u>	<u>\$ 72,941</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 60,644</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 6,962	\$ 72,941	\$ 95	\$ -	\$ 60,644
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 6,962</u>	<u>\$ 72,941</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 60,644</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>6,962</u>	<u>72,941</u>	<u>95</u>	<u>-</u>	<u>60,644</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 6,962</u>	<u>\$ 72,941</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 60,644</u>

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

	Instructional Materials Grant	Innovative Programs Grant FY 07/08	Safe and Drug Free Schools FY 06/07	Safe and Drug Free Schools FY 07/08	Safe and Drug Free Schools FY 08/09
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	1,880	-	-	5,236	7,344
Temporary loans	-	-	-	-	-
<b>Total receipts</b>	<b>1,880</b>	<b>-</b>	<b>-</b>	<b>5,236</b>	<b>7,344</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	2,552	9,045	1,429
Support services	-	4,474	-	-	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>4,474</b>	<b>2,552</b>	<b>9,045</b>	<b>1,429</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,880</b>	<b>(4,474)</b>	<b>(2,552)</b>	<b>(3,809)</b>	<b>5,915</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>1,880</b>	<b>(4,474)</b>	<b>(2,552)</b>	<b>(3,809)</b>	<b>5,915</b>
Cash and investments - beginning	-	4,474	2,552	3,809	-
Cash and investments - ending	<u>\$ 1,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,915</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 1,880	\$ -	\$ -	\$ -	\$ 5,915
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,915</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,880	-	-	-	5,915
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,915</u>

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

	Improving Teacher Quality 2007	English Language Acquisition Grant	Pension Bond Debt Service	School Bus Replacement	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ 778,581	\$ 635,198	\$ 4,109,109
Intermediate sources	-	-	-	-	1,238
State sources	70	-	-	-	407,941
Federal sources	106,181	16,950	-	-	1,201,089
Temporary loans	-	-	259,984	-	259,984
	<u>106,251</u>	<u>16,950</u>	<u>1,038,565</u>	<u>635,198</u>	<u>5,979,361</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	15,277	-	-	836,213
Support services	113,018	-	-	30,537	2,332,503
Noninstructional services	-	-	-	-	1,338,260
Facilities acquisition and construction	-	-	-	-	30,344
Debt services	-	-	980,427	-	980,427
	<u>113,018</u>	<u>15,277</u>	<u>980,427</u>	<u>30,537</u>	<u>5,517,747</u>
Excess (deficiency) of receipts over disbursements	<u>(6,767)</u>	<u>1,673</u>	<u>58,138</u>	<u>604,661</u>	<u>461,614</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	45,405
Transfers out	-	-	-	(420,000)	(714,860)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(420,000)</u>	<u>(669,455)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,767)</u>	<u>1,673</u>	<u>58,138</u>	<u>184,661</u>	<u>(207,841)</u>
Cash and investments - beginning	<u>28,378</u>	<u>11,926</u>	<u>(14,321)</u>	<u>68,499</u>	<u>1,838,362</u>
Cash and investments - ending	<u>\$ 21,611</u>	<u>\$ 13,599</u>	<u>\$ 43,817</u>	<u>\$ 253,160</u>	<u>\$ 1,630,521</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 21,611	\$ 13,599	\$ -	\$ 253,160	\$ 1,586,704
Restricted assets:					
Cash and investments	-	-	43,817	-	43,817
Total cash and investment assets - ending	<u>\$ 21,611</u>	<u>\$ 13,599</u>	<u>\$ 43,817</u>	<u>\$ 253,160</u>	<u>\$ 1,630,521</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 43,817	\$ -	\$ 43,817
Unrestricted	<u>21,611</u>	<u>13,599</u>	<u>-</u>	<u>253,160</u>	<u>1,586,704</u>
Total cash and investment fund balance - ending	<u>\$ 21,611</u>	<u>\$ 13,599</u>	<u>\$ 43,817</u>	<u>\$ 253,160</u>	<u>\$ 1,630,521</u>

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

	Transportation Operating	Special Education Preschool	Food Service	Textbook Rental	Levy Excess	After School Child Care
<b>Receipts:</b>						
Local sources	\$ 2,616,315	\$ -	\$ 584,623	\$ 169,313	\$ -	\$ 59,853
Intermediate sources	-	-	-	-	-	-
State sources	-	52,250	14,997	91,081	-	-
Federal sources	-	-	777,812	-	-	-
<b>Total receipts</b>	<b>2,616,315</b>	<b>52,250</b>	<b>1,377,432</b>	<b>260,394</b>	<b>-</b>	<b>59,853</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	73,727	-	-	-	-
Support services	1,633,057	-	4,778	224,499	-	-
Noninstructional services	-	-	1,296,901	-	-	54,565
Facilities acquisition and construction	-	-	20,017	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	133,512	-	-	-	-
<b>Total disbursements</b>	<b>1,633,057</b>	<b>207,239</b>	<b>1,321,696</b>	<b>224,499</b>	<b>-</b>	<b>54,565</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>983,258</b>	<b>(154,989)</b>	<b>55,736</b>	<b>35,895</b>	<b>-</b>	<b>5,288</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	342,893	-
Transfers out	(354,861)	(161,346)	(20,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(354,861)</b>	<b>(161,346)</b>	<b>(20,000)</b>	<b>-</b>	<b>342,893</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>628,397</b>	<b>(316,335)</b>	<b>35,736</b>	<b>35,895</b>	<b>342,893</b>	<b>5,288</b>
<b>Cash and investments - beginning</b>	<b>49,933</b>	<b>316,335</b>	<b>450,311</b>	<b>236,129</b>	<b>-</b>	<b>8,618</b>
<b>Cash and investments - ending</b>	<b>\$ 678,330</b>	<b>\$ -</b>	<b>\$ 486,047</b>	<b>\$ 272,024</b>	<b>\$ 342,893</b>	<b>\$ 13,906</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 678,330	\$ -	\$ 486,047	\$ 272,024	\$ 342,893	\$ 13,906
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 678,330</b>	<b>\$ -</b>	<b>\$ 486,047</b>	<b>\$ 272,024</b>	<b>\$ 342,893</b>	<b>\$ 13,906</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	678,330	-	486,047	272,024	342,893	13,906
<b>Total cash and investment fund balance - ending</b>	<b>\$ 678,330</b>	<b>\$ -</b>	<b>\$ 486,047</b>	<b>\$ 272,024</b>	<b>\$ 342,893</b>	<b>\$ 13,906</b>

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

	Educational License Plates	Educational Opportunity Center	School Safe Haven	Early Intervention Grant	Miscellaneous Donations	Dekko Arts Partnership Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ 329,722	\$ -	\$ -	\$ -	\$ 7,430
Intermediate sources	581	-	-	-	-	-
State sources	-	20,958	-	31,320	-	-
Federal sources	-	-	-	-	-	-
<b>Total receipts</b>	<b>581</b>	<b>350,680</b>	<b>-</b>	<b>31,320</b>	<b>-</b>	<b>7,430</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	296,994	-	-	447	6,708
Support services	-	-	3,880	33,320	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>296,994</b>	<b>3,880</b>	<b>33,320</b>	<b>447</b>	<b>6,708</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>581</b>	<b>53,686</b>	<b>(3,880)</b>	<b>(2,000)</b>	<b>(447)</b>	<b>722</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>581</b>	<b>53,686</b>	<b>(3,880)</b>	<b>(2,000)</b>	<b>(447)</b>	<b>722</b>
<b>Cash and investments - beginning</b>	<b>11,883</b>	<b>1,915</b>	<b>3,880</b>	<b>2,000</b>	<b>1,447</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 12,464</b>	<b>\$ 55,601</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 722</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 12,464	\$ 55,601	\$ -	\$ -	\$ 1,000	\$ 722
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 12,464</b>	<b>\$ 55,601</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 722</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,464	55,601	-	-	1,000	722
<b>Total cash and investment fund balance - ending</b>	<b>\$ 12,464</b>	<b>\$ 55,601</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 722</b>

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

	Miscellaneous Grants	FIST Grants	Professional Development	Wellness	F. K. McCutchan	Coca Cola Commissions
<b>Receipts:</b>						
Local sources	\$ 1,200	\$ 2,274	\$ -	\$ 27,987	\$ -	\$ 3,904
Intermediate sources	-	-	-	-	-	-
State sources	200	-	7,500	-	-	-
Federal sources	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,400</b>	<b>2,274</b>	<b>7,500</b>	<b>27,987</b>	<b>-</b>	<b>3,904</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,017	2,041	-	-	-	-
Support services	-	-	21,766	19,285	-	5,963
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,017</b>	<b>2,041</b>	<b>21,766</b>	<b>19,285</b>	<b>-</b>	<b>5,963</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>383</b>	<b>233</b>	<b>(14,266)</b>	<b>8,702</b>	<b>-</b>	<b>(2,059)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>383</b>	<b>233</b>	<b>(14,266)</b>	<b>8,702</b>	<b>-</b>	<b>(2,059)</b>
<b>Cash and investments - beginning</b>	<b>261</b>	<b>593</b>	<b>42,233</b>	<b>-</b>	<b>150</b>	<b>3,211</b>
<b>Cash and investments - ending</b>	<b>644</b>	<b>826</b>	<b>27,967</b>	<b>8,702</b>	<b>150</b>	<b>1,152</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 644	\$ 826	\$ 27,967	\$ 8,702	\$ 150	\$ 1,152
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>644</b>	<b>826</b>	<b>27,967</b>	<b>8,702</b>	<b>150</b>	<b>1,152</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	644	826	27,967	8,702	150	1,152
<b>Total cash and investment fund balance - ending</b>	<b>644</b>	<b>826</b>	<b>27,967</b>	<b>8,702</b>	<b>150</b>	<b>1,152</b>

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

	Middle College FY 09/10	Gifted/Talented FY 09/10	Non-English Speaking Program FY 08/09	Non-English Speaking Program FY 09/10	School Technology	Excess PTRC Distribution
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 42,204	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	38,625	-	16,249	-	47,100
Federal sources	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>38,625</b>	<b>-</b>	<b>16,249</b>	<b>42,204</b>	<b>47,100</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	21,000	14,364	6,961	12,470	-	-
Support services	-	-	-	-	45,727	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>21,000</b>	<b>14,364</b>	<b>6,961</b>	<b>12,470</b>	<b>45,727</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(21,000)</b>	<b>24,261</b>	<b>(6,961)</b>	<b>3,779</b>	<b>(3,523)</b>	<b>47,100</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(21,000)</b>	<b>24,261</b>	<b>(6,961)</b>	<b>3,779</b>	<b>(3,523)</b>	<b>47,100</b>
<b>Cash and investments - beginning</b>	<b>21,000</b>	<b>-</b>	<b>6,961</b>	<b>-</b>	<b>72,941</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 24,261</b>	<b>\$ -</b>	<b>\$ 3,779</b>	<b>\$ 69,418</b>	<b>\$ 47,100</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 24,261	\$ -	\$ 3,779	\$ 69,418	\$ 47,100
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 24,261</b>	<b>\$ -</b>	<b>\$ 3,779</b>	<b>\$ 69,418</b>	<b>\$ 47,100</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	24,261	-	3,779	69,418	47,100
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 24,261</b>	<b>\$ -</b>	<b>\$ 3,779</b>	<b>\$ 69,418</b>	<b>\$ 47,100</b>

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

	2nd Grade Laptop Program	Title I FY 08/09	Title I FY 09/10	Instructional Materials Grant	Safe and Drug Free Schools FY 09/10	Safe and Drug Free Schools FY 08/09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	40,000	439,312	-	8,290	-
<b>Total receipts</b>	<b>-</b>	<b>40,000</b>	<b>439,612</b>	<b>-</b>	<b>8,290</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	95	53,645	243,965	1,880	4,681	5,915
Support services	-	22,546	75,800	-	-	-
Noninstructional services	-	188	527	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>95</b>	<b>76,379</b>	<b>320,292</b>	<b>1,880</b>	<b>4,681</b>	<b>5,915</b>
Excess (deficiency) of receipts over disbursements	(95)	(36,379)	119,320	(1,880)	3,609	(5,915)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	24,264	-	-	-
Transfers out	-	(24,264)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(24,264)</b>	<b>24,264</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(95)	(60,643)	143,584	(1,880)	3,609	(5,915)
Cash and investments - beginning	95	60,643	-	1,880	-	5,915
Cash and investments - ending	\$ -	\$ -	\$ 143,584	\$ -	\$ 3,609	\$ -
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ 143,584	\$ -	\$ 3,609	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,584</b>	<b>\$ -</b>	<b>\$ 3,609</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	143,584	-	3,609	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,584</b>	<b>\$ -</b>	<b>\$ 3,609</b>	<b>\$ -</b>

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

	Even Start Literacy Coalition	Improving Teacher Quality 2007	Improving Teacher Quality 2008	English Language Acquisition FY 08/09	English Language Acquisition FY 09/10	ARRA Title I
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	170,000	-	110,994	-	14,859	216,000
<b>Total receipts</b>	<b>170,000</b>	<b>-</b>	<b>110,994</b>	<b>-</b>	<b>14,859</b>	<b>216,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	74,634	-	-	13,270	16,510	195,592
Support services	27,857	21,611	71,010	329	-	27,906
Noninstructional services	-	-	-	-	-	1,347
Facilities acquisition and construction	13,250	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	3,151	-	-	-	-	-
<b>Total disbursements</b>	<b>118,892</b>	<b>21,611</b>	<b>71,010</b>	<b>13,599</b>	<b>16,510</b>	<b>224,845</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>51,108</b>	<b>(21,611)</b>	<b>39,984</b>	<b>(13,599)</b>	<b>(1,651)</b>	<b>(8,845)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>51,108</b>	<b>(21,611)</b>	<b>39,984</b>	<b>(13,599)</b>	<b>(1,651)</b>	<b>(8,845)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>21,611</b>	<b>-</b>	<b>13,599</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 51,108</b>	<b>\$ -</b>	<b>\$ 39,984</b>	<b>\$ -</b>	<b>\$ (1,651)</b>	<b>\$ (8,845)</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 51,108	\$ -	\$ 39,984	\$ -	\$ (1,651)	\$ (8,845)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 51,108</b>	<b>\$ -</b>	<b>\$ 39,984</b>	<b>\$ -</b>	<b>\$ (1,651)</b>	<b>\$ (8,845)</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	51,108	-	39,984	-	(1,651)	(8,845)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 51,108</b>	<b>\$ -</b>	<b>\$ 39,984</b>	<b>\$ -</b>	<b>\$ (1,651)</b>	<b>\$ (8,845)</b>

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

	ARRA Special Education	ARRA School Lunch Equipment	Pension Bond Debt Service	School Bus Replacement	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ 1,244,619	\$ 1,059,924	\$ 6,149,668
Intermediate sources	-	-	-	-	581
State sources	-	-	-	-	320,280
Federal sources	363,796	15,000	-	-	2,156,063
<b>Total receipts</b>	<u>363,796</u>	<u>15,000</u>	<u>1,244,619</u>	<u>1,059,924</u>	<u>8,626,592</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	184,040	-	-	-	1,229,956
Support services	114,629	-	-	657,425	3,011,388
Noninstructional services	-	-	-	-	1,353,528
Facilities acquisition and construction	-	15,000	-	-	48,267
Debt services	-	-	910,334	-	910,334
Nonprogrammed charges	-	-	-	-	136,663
<b>Total disbursements</b>	<u>298,669</u>	<u>15,000</u>	<u>910,334</u>	<u>657,425</u>	<u>6,690,136</u>
Excess (deficiency) of receipts over disbursements	<u>65,127</u>	<u>-</u>	<u>334,285</u>	<u>402,499</u>	<u>1,936,456</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	367,157
Transfers out	-	-	(30,840)	(220,590)	(811,901)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(30,840)</u>	<u>(220,590)</u>	<u>(444,744)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	65,127	-	303,445	181,909	1,491,712
Cash and investments - beginning	-	-	43,817	253,160	1,630,521
Cash and investments - ending	<u>\$ 65,127</u>	<u>\$ -</u>	<u>\$ 347,262</u>	<u>\$ 435,069</u>	<u>\$ 3,122,233</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 65,127	\$ -	\$ -	\$ 435,069	\$ 2,774,971
Restricted assets:					
Cash and investments	-	-	347,262	-	347,262
<b>Total cash and investment assets - ending</b>	<u>\$ 65,127</u>	<u>\$ -</u>	<u>\$ 347,262</u>	<u>\$ 435,069</u>	<u>\$ 3,122,233</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 347,262	\$ -	\$ 347,262
Unrestricted	65,127	-	-	435,069	2,774,971
<b>Total cash and investment fund balance - ending</b>	<u>\$ 65,127</u>	<u>\$ -</u>	<u>\$ 347,262</u>	<u>\$ 435,069</u>	<u>\$ 3,122,233</u>

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2009

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 252,917	\$ 252,917
Deductions:			
Benefits	-	37,574	37,574
Excess of total additions over total deductions	-	215,343	215,343
Cash and investment fund balance - beginning	7,614	247,745	255,359
Cash and investment fund balance - ending	<u>\$ 7,614</u>	<u>\$ 463,088</u>	<u>\$ 470,702</u>
Net assets:			
Cash and investments	<u>\$ 7,614</u>	<u>\$ 463,088</u>	<u>\$ 470,702</u>
Total net assets - cash and investment basis held in trust	<u>\$ 7,614</u>	<u>\$ 463,088</u>	<u>\$ 470,702</u>

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2010

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 6,200	\$ 6,200
Deductions:			
Benefits	7,614	309,970	317,584
Deficiency of total additions over total deductions	(7,614)	(303,770)	(311,384)
Cash and investment fund balance - beginning	7,614	463,088	470,702
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 159,318</u>	<u>\$ 159,318</u>
Net assets:			
Cash and investments	\$ -	\$ 159,318	\$ 159,318
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 159,318</u>	<u>\$ 159,318</u>

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

	Payroll Clearing
Additions:	
Agency fund additions	\$ 5,549,632
Deductions:	
Agency fund deductions	5,550,143
Deficiency of total additions over total deductions	(511)
Cash and investment fund balance - beginning	2,132
Cash and investment fund balance - ending	\$ 1,621

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

	<u>Payroll Clearing</u>
Additions:	
Agency fund additions	\$ <u>5,686,885</u>
Deductions:	
Agency fund deductions	<u>5,687,917</u>
Deficiency of total additions over total deductions	(1,032)
Cash and investment fund balance - beginning	<u>1,621</u>
Cash and investment fund balance - ending	<u>\$ <u>589</u></u>

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
 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	\$ 2,050,903
Buildings	54,916,485
Improvements other than buildings	922,733
Machinery and equipment	<u>5,290,325</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 63,180,446</u>

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
 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:		
Capital leases:		
Angola Middle School Building Corporation - Middle School 2008 refunding lease	\$ 11,930,000	\$ 2,279,613
MSD of Steuben county K-5 Building Corporation - Ryan Park Elementary 2003 refunding lease	19,669,700	1,998,200
Loans payable:		
Energy savings 2005 certificates of participation	2,595,000	578,312
Bonds payable:		
General obligation bonds:		
Pension obligation 2004 bonds	5,520,000	641,550
Temporary loans	<u>1,077,582</u>	<u>1,087,350</u>
Total governmental activities debt	<u>\$ 40,792,282</u>	<u>\$ 6,585,025</u>

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the English Language Acquisition FY 09/10 Fund and ARRA Title I Fund were overdrawn as of June 30, 2010, by \$1,651 and \$8,845, respectively.

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

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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 METROPOLITAN SCHOOL DISTRICT  
OF STEUBEN COUNTY, STEUBEN COUNTY, INDIANA

Compliance

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

January 26, 2011

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
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
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 143,272	\$ 165,681
National School Lunch Program	10.555		602,154	688,746
Total for cluster			<u>745,426</u>	<u>854,427</u>
Fresh Fruit and Vegetable Program	10.582		8,459	25,311
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579		-	15,000
Total for federal grantor agency			<u>753,885</u>	<u>894,738</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	08-7615	51,115	-
		09-7615	326,452	76,379
		10-7615	-	320,292
Total for program			<u>377,567</u>	<u>396,671</u>
ARRA - Title I Grants to Local Agencies, Recovery Act	84.389	10-7615	-	224,845
Total for cluster			<u>377,567</u>	<u>621,516</u>
Pass-Through DeKalb County Eastern Community School District				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act	84.391	10-7615	-	298,669
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	09-7615	927,754	1,212,594
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		06-7615	2,552	
		07-7615	9,045	
		08-7615	1,429	5,915
		09-7615	-	4,681
Total for program			<u>13,026</u>	<u>10,596</u>
Even Start - State Educational Agencies	84.213		-	118,892
State Grants for Innovative Programs	84.298			
Title V, Part A		07-7615	4,474	-
		08-7615	-	1,880
Total for program			<u>4,474</u>	<u>1,880</u>
English Language Acquisition Grants	84.365			
		07-7615	11,926	-
		08-7615	3,351	13,599
		09-7615	-	16,510
Total for program			<u>15,277</u>	<u>30,109</u>
Improving Teacher Quality State Grants	84.367			
		06-7615	28,378	-
		07-7615	84,640	21,611
		08-7615	-	71,010
Total for program			<u>113,018</u>	<u>92,621</u>
Total for federal grantor agency			<u>1,451,116</u>	<u>2,386,877</u>
Total federal awards expended			<u>\$ 2,205,001</u>	<u>\$ 3,281,615</u>

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

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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metropolitan School District of Steuben County (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	\$ 13,969	\$ 15,744
National School Lunch Program	10.555	58,337	65,040

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

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition 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? no

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 STEUBEN COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 26, 2011, with Dr. Brent Wilson, Superintendent of Schools; Monte VanGessel, Business Manager; Sherry Rowe, Treasurer; Marilyn Hill, Deputy Treasurer; Kevin Beard, School Board member; Phil Meyers, School Board member; and Barb Favourite, School Board member. The officials concurred with our audit finding.