

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

MACONAQUAH SCHOOL CORPORATION  
MIAMI COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**  
12/13/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on the Financial Statement and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards .....	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis .....	9
Notes to Financial Statement .....	10-14
Supplementary Information: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis .....	16-27
Schedule of Capital Assets .....	28
Schedule of Long-Term Debt .....	29
Audit Result and Comment: Overdrawn Fund Balances .....	30
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	32-33
Schedule of Expenditures of Federal Awards .....	36
Notes to Schedule of Expenditures of Federal Awards .....	37
Schedule of Findings and Questioned Costs .....	38
Auditee Prepared Schedule: Summary Schedule of Prior Audit Findings .....	39
Exit Conference .....	40

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tina Bonifant	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Debra L. Jones Dr. Douglas Arnold	07-01-09 to 06-30-10 07-01-10 to 06-30-12
President of the School Board	Brian Troyer	07-01-09 to 06-30-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE MACONAQUAH SCHOOL CORPORATION, MIAMI COUNTY, INDIANA

We have audited the accompanying financial statement of the Maconaquah School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express opinions on the financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated October 6, 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 THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, the Board of School Trustees, others within the entity, 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

October 6, 2011



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE MACONAQUAH SCHOOL CORPORATION, MIAMI COUNTY, INDIANA

We have audited the financial statement of the Maconaquah School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated October 6, 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 statement, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
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 statement is 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 Board of School Trustees, others within the entity, 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

October 6, 2011

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

⊕

(This page intentionally left blank.)

MACONAQUAH SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ 1,904,834	\$ 16,527,637	\$ 15,257,892	\$ 330,555	\$ 3,505,134	\$ 16,481,109	\$ 16,736,235	\$ 4,189	\$ 3,254,197	
Debt Service	240,553	1,582,071	1,040,515	(29,511)	752,598	951,583	1,043,960	-	660,221	
Capital Projects	-	2,378,236	1,455,506	(119,312)	803,418	1,527,264	1,438,020	-	892,662	
School Transportation	1,456	1,184,056	772,904	-	412,608	710,794	805,841	-	317,561	
School Bus Replacement	10,561	499,398	300,000	552	210,511	323,119	288,513	-	245,117	
Special Education Preschool	89,565	35,750	30,922	(94,393)	-	-	-	-	-	
Rainy Day	688,171	-	35,122	(100,000)	553,049	-	-	-	553,049	
School Lunch	272,108	1,021,337	1,065,414	-	228,031	1,086,529	1,037,984	-	276,576	
Textbook Rental	(140,034)	179,185	224,307	29,511	(155,645)	163,248	66,529	-	(58,926)	
Self-Insurance	911,156	3,040,510	2,801,292	-	1,150,374	3,017,465	3,049,660	-	1,118,179	
Levy Excess	-	-	-	-	-	23,484	-	-	23,484	
Educational License Plates	1,286	188	1,391	-	83	263	-	-	346	
Alternative Education	6,073	3,964	-	-	10,037	9,399	-	-	19,436	
K of C - Tootsie Roll Donation	608	-	81	-	527	1,400	44	-	1,883	
Area Five/Mobile Pantry	-	-	-	-	-	2,382	2,382	-	-	
Workforce Development	(2,749)	2,449	-	300	-	-	-	-	-	
High Ability	17,620	34,927	49,156	-	3,391	34,403	33,157	-	4,637	
Non-English Speaking Programs P.L. 273-1999	1,398	6,233	7,330	-	301	3,550	3,851	-	-	
School Technology	17,150	-	-	(17,150)	-	4,111	3,083	-	1,028	
Indiana Youth Inst. Grant 2010	460	-	460	-	-	-	-	-	-	
Library Endowment	86,100	-	2,221	-	83,879	-	5,431	-	78,448	
Title I 09/10	-	244,104	209,825	44,862	79,141	-	51,746	(27,395)	-	
Title I 10/11	-	-	-	-	-	289,156	307,868	27,395	8,683	
Title I 08/09	93,881	-	49,019	(44,862)	-	-	-	-	-	
Innovative Education Program Strategies Title V (Part A)	-	1,462	1,462	-	-	-	-	-	-	
Title IV, Part A Drug Free 08/09	2,791	-	2,791	-	-	-	-	-	-	
Title IV, Part A Drug Free 09/10	-	6,196	3,703	-	2,493	-	2,493	-	-	
Title IV, Part A Drug Free 10/11	-	-	-	-	-	4,633	5,039	-	(406)	
Improving Teaching Quality, No Child Left, Title II, Part A	-	81,430	78,503	-	2,927	77,931	80,629	-	229	
Title III, Language Instruction	2,025	-	1,810	-	215	3,630	3,630	(215)	-	
Fiscal Stabilization - Education	1,012,235	448,958	1,461,193	-	-	-	-	-	-	
ARRA Title I - Grants to LEAs	89,242	89,161	174,968	-	3,435	-	3,435	-	-	
ARRA Special Education - Part B	-	416,434	435,193	-	(18,759)	82,460	62,990	-	711	
ARRA Special Education - Part B - Preschool	-	18,558	17,332	-	1,226	-	631	-	595	
ARRA School Lunch Equipment	-	8,875	8,875	-	-	-	-	-	-	
<b>Totals</b>	<b>\$ 5,306,490</b>	<b>\$ 27,811,119</b>	<b>\$ 25,489,187</b>	<b>\$ 552</b>	<b>\$ 7,628,974</b>	<b>\$ 24,797,913</b>	<b>\$ 25,033,151</b>	<b>\$ 3,974</b>	<b>\$ 7,397,710</b>	

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

MACONAQUAH SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

MACONAQUAH SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

MACONAQUAH SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

*F. Other financing sources and uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates

MACONAQUAH SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement any replacement items purchased.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

MACONAQUAH SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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 also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool
Cash and investments - beginning	\$ 1,904,834	\$ 240,553	\$ -	\$ 1,456	\$ 10,561	\$ 89,565
Receipts:						
Local sources	141,955	1,582,071	2,378,236	1,174,726	499,398	-
Intermediate sources	222	-	-	-	-	-
State sources	16,352,759	-	-	-	-	35,750
Federal sources	12,756	-	-	-	-	-
Other	19,945	-	-	9,330	-	-
Total receipts	<u>16,527,637</u>	<u>1,582,071</u>	<u>2,378,236</u>	<u>1,184,056</u>	<u>499,398</u>	<u>35,750</u>
Disbursements:						
Current:						
Instruction	9,187,284	-	-	-	-	30,922
Support services	5,280,633	-	835,040	772,904	300,000	-
Noninstructional services	261,255	-	-	-	-	-
Facilities acquisition and construction	400,549	-	620,466	-	-	-
Debt services	-	1,040,515	-	-	-	-
Nonprogrammed charges	128,171	-	-	-	-	-
Total disbursements	<u>15,257,892</u>	<u>1,040,515</u>	<u>1,455,506</u>	<u>772,904</u>	<u>300,000</u>	<u>30,922</u>
Excess (deficiency) of receipts over disbursements	<u>1,269,745</u>	<u>541,556</u>	<u>922,730</u>	<u>411,152</u>	<u>199,398</u>	<u>4,828</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	552	-
Transfers in	330,855	-	-	-	-	-
Transfers out	(300)	(29,511)	(119,312)	-	-	(94,393)
Total other financing sources (uses)	<u>330,555</u>	<u>(29,511)</u>	<u>(119,312)</u>	<u>-</u>	<u>552</u>	<u>(94,393)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,600,300</u>	<u>512,045</u>	<u>803,418</u>	<u>411,152</u>	<u>199,950</u>	<u>(89,565)</u>
Cash and investments - ending	<u>\$ 3,505,134</u>	<u>\$ 752,598</u>	<u>\$ 803,418</u>	<u>\$ 412,608</u>	<u>\$ 210,511</u>	<u>\$ -</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Rainy Day	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 688,171	\$ 272,108	\$ (140,034)	\$ 911,156	\$ -	\$ 1,286
Receipts:						
Local sources	-	504,036	110,771	152,435	-	-
Intermediate sources	-	-	-	-	-	188
State sources	-	7,227	64,292	-	-	-
Federal sources	-	507,231	-	-	-	-
Other	-	2,843	4,122	2,888,075	-	-
Total receipts	-	1,021,337	179,185	3,040,510	-	188
Disbursements:						
Current:						
Instruction	-	-	-	-	-	31
Support services	-	3,742	224,307	2,801,292	-	-
Noninstructional services	-	971,008	-	-	-	1,360
Facilities acquisition and construction	35,122	90,664	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	35,122	1,065,414	224,307	2,801,292	-	1,391
Excess (deficiency) of receipts over disbursements	(35,122)	(44,077)	(45,122)	239,218	-	(1,203)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	29,511	-	-	-
Transfers out	(100,000)	-	-	-	-	-
Total other financing sources (uses)	(100,000)	-	29,511	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(135,122)	(44,077)	(15,611)	239,218	-	(1,203)
Cash and investments - ending	\$ 553,049	\$ 228,031	\$ (155,645)	\$ 1,150,374	\$ -	\$ 83

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Alternative Education	K of C Tootsie Roll Donation	Area Five Mobile Pantry	Workforce Development	High Ability	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 6,073	\$ 608	\$ -	\$ (2,749)	\$ 17,620	\$ 1,398
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	3,964	-	-	-	34,927	6,233
Federal sources	-	-	-	-	-	-
Other	-	-	-	2,449	-	-
Total receipts	<u>3,964</u>	<u>-</u>	<u>-</u>	<u>2,449</u>	<u>34,927</u>	<u>6,233</u>
Disbursements:						
Current:						
Instruction	-	81	-	-	49,156	7,330
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>81</u>	<u>-</u>	<u>-</u>	<u>49,156</u>	<u>7,330</u>
Excess (deficiency) of receipts over disbursements	<u>3,964</u>	<u>(81)</u>	<u>-</u>	<u>2,449</u>	<u>(14,229)</u>	<u>(1,097)</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	300	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,964</u>	<u>(81)</u>	<u>-</u>	<u>2,749</u>	<u>(14,229)</u>	<u>(1,097)</u>
Cash and investments - ending	<u>\$ 10,037</u>	<u>\$ 527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 301</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	School Technology	Indiana Youth Inst. Grant 2010	Library Endowment	Title I 09/10	Title I 10/11	Title I 08/09
Cash and investments - beginning	\$ 17,150	\$ 460	\$ 86,100	\$ -	\$ -	\$ 93,881
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	244,104	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	244,104	-	-
Disbursements:						
Current:						
Instruction	-	-	2,221	179,668	-	25,790
Support services	-	460	-	28,833	-	23,229
Noninstructional services	-	-	-	1,324	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	460	2,221	209,825	-	49,019
Excess (deficiency) of receipts over disbursements	-	(460)	(2,221)	34,279	-	(49,019)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	44,862	-	-
Transfers out	(17,150)	-	-	-	-	(44,862)
Total other financing sources (uses)	(17,150)	-	-	44,862	-	(44,862)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,150)	(460)	(2,221)	79,141	-	(93,881)
Cash and investments - ending	\$ -	\$ -	\$ 83,879	\$ 79,141	\$ -	\$ -

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Innovative Education Program Strategies Title V (Part A)	Title IV Part A Drug Free 08/09	Title IV Part A Drug Free 09/10	Title IV Part A Drug Free 10/11	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction
Cash and investments - beginning	\$ -	\$ 2,791	\$ -	\$ -	\$ -	\$ 2,025
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,462	-	6,196	-	81,430	-
Other	-	-	-	-	-	-
Total receipts	<u>1,462</u>	<u>-</u>	<u>6,196</u>	<u>-</u>	<u>81,430</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	1,462	2,791	3,703	-	78,503	1,810
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>1,462</u>	<u>2,791</u>	<u>3,703</u>	<u>-</u>	<u>78,503</u>	<u>1,810</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,791)</u>	<u>2,493</u>	<u>-</u>	<u>2,927</u>	<u>(1,810)</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(2,791)</u>	<u>2,493</u>	<u>-</u>	<u>2,927</u>	<u>(1,810)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,493</u>	<u>\$ -</u>	<u>\$ 2,927</u>	<u>\$ 215</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Fiscal Stabilization Education	ARRA Title I Grants to LEAs	ARRA Special Education Part B	ARRA Special Education Part B Preschool	ARRA School Lunch Equipment	Totals
Cash and investments - beginning	\$ 1,012,235	\$ 89,242	\$ -	\$ -	\$ -	\$ 5,306,490
Receipts:						
Local sources	-	-	-	-	-	6,543,628
Intermediate sources	-	-	-	-	-	410
State sources	-	-	-	-	-	16,505,152
Federal sources	448,958	89,161	416,434	18,558	8,875	1,835,165
Other	-	-	-	-	-	2,926,764
Total receipts	<u>448,958</u>	<u>89,161</u>	<u>416,434</u>	<u>18,558</u>	<u>8,875</u>	<u>27,811,119</u>
Disbursements:						
Current:						
Instruction	1,129,664	162,576	435,193	17,332	-	11,315,517
Support services	314,437	12,392	-	-	-	10,597,269
Noninstructional services	17,092	-	-	-	-	1,252,039
Facilities acquisition and construction	-	-	-	-	8,875	1,155,676
Debt services	-	-	-	-	-	1,040,515
Nonprogrammed charges	-	-	-	-	-	128,171
Total disbursements	<u>1,461,193</u>	<u>174,968</u>	<u>435,193</u>	<u>17,332</u>	<u>8,875</u>	<u>25,489,187</u>
Excess (deficiency) of receipts over disbursements	<u>(1,012,235)</u>	<u>(85,807)</u>	<u>(18,759)</u>	<u>1,226</u>	<u>-</u>	<u>2,321,932</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	552
Transfers in	-	-	-	-	-	405,528
Transfers out	-	-	-	-	-	(405,528)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,012,235)</u>	<u>(85,807)</u>	<u>(18,759)</u>	<u>1,226</u>	<u>-</u>	<u>2,322,484</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,435</u>	<u>\$ (18,759)</u>	<u>\$ 1,226</u>	<u>\$ -</u>	<u>\$ 7,628,974</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool
Cash and investments - beginning	\$ 3,505,134	\$ 752,598	\$ 803,418	\$ 412,608	\$ 210,511	\$ -
Receipts:						
Local sources	67,902	951,583	1,527,264	705,055	323,119	-
Intermediate sources	667	-	-	-	-	-
State sources	16,373,818	-	-	-	-	-
Federal sources	19,523	-	-	-	-	-
Other	19,199	-	-	5,739	-	-
Total receipts	<u>16,481,109</u>	<u>951,583</u>	<u>1,527,264</u>	<u>710,794</u>	<u>323,119</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	9,947,353	-	-	-	-	-
Support services	5,993,828	-	916,993	805,841	288,513	-
Noninstructional services	223,755	-	-	-	-	-
Facilities acquisition and construction	350,341	-	521,027	-	-	-
Debt services	-	1,043,960	-	-	-	-
Nonprogrammed charges	220,958	-	-	-	-	-
Total disbursements	<u>16,736,235</u>	<u>1,043,960</u>	<u>1,438,020</u>	<u>805,841</u>	<u>288,513</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(255,126)</u>	<u>(92,377)</u>	<u>89,244</u>	<u>(95,047)</u>	<u>34,606</u>	<u>-</u>
Other financing sources (uses)						
Sale of capital assets	3,974	-	-	-	-	-
Transfers in	215	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>4,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(250,937)</u>	<u>(92,377)</u>	<u>89,244</u>	<u>(95,047)</u>	<u>34,606</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,254,197</u>	<u>\$ 660,221</u>	<u>\$ 892,662</u>	<u>\$ 317,561</u>	<u>\$ 245,117</u>	<u>\$ -</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Rainy Day	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 553,049	\$ 228,031	\$ (155,645)	\$ 1,150,374	\$ -	\$ 83
Receipts:						
Local sources	-	500,552	100,464	124,513	-	-
Intermediate sources	-	-	-	-	-	263
State sources	-	6,637	59,275	-	23,484	-
Federal sources	-	576,460	-	-	-	-
Other	-	2,880	3,509	2,892,952	-	-
Total receipts	-	1,086,529	163,248	3,017,465	23,484	263
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	8,437	66,529	3,049,660	-	-
Noninstructional services	-	1,003,567	-	-	-	-
Facilities acquisition and construction	-	25,980	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	1,037,984	66,529	3,049,660	-	-
Excess (deficiency) of receipts over disbursements	-	48,545	96,719	(32,195)	23,484	263
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	48,545	96,719	(32,195)	23,484	263
Cash and investments - ending	\$ 553,049	\$ 276,576	\$ (58,926)	\$ 1,118,179	\$ 23,484	\$ 346

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Alternative Education	K of C Tootsie Roll Donation	Area Five Mobile Pantry	Workforce Development	High Ability	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 10,037	\$ 527	\$ -	\$ -	\$ 3,391	\$ 301
Receipts:						
Local sources	-	1,400	2,382	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	9,399	-	-	-	34,403	3,550
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>9,399</u>	<u>1,400</u>	<u>2,382</u>	<u>-</u>	<u>34,403</u>	<u>3,550</u>
Disbursements:						
Current:						
Instruction	-	44	-	-	33,157	3,851
Support services	-	-	-	-	-	-
Noninstructional services	-	-	2,382	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>44</u>	<u>2,382</u>	<u>-</u>	<u>33,157</u>	<u>3,851</u>
Excess (deficiency) of receipts over disbursements	<u>9,399</u>	<u>1,356</u>	<u>-</u>	<u>-</u>	<u>1,246</u>	<u>(301)</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>9,399</u>	<u>1,356</u>	<u>-</u>	<u>-</u>	<u>1,246</u>	<u>(301)</u>
Cash and investments - ending	<u>\$ 19,436</u>	<u>\$ 1,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,637</u>	<u>\$ -</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	School Technology	Indiana Youth Inst. Grant 2010	Library Endowment	Title I 09/10	Title I 10/11	Title I 08/09
Cash and investments - beginning	\$ -	\$ -	\$ 83,879	\$ 79,141	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	4,111	-	-	-	-	-
Federal sources	-	-	-	-	289,156	-
Other	-	-	-	-	-	-
Total receipts	<u>4,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,156</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	1,431	44,064	251,276	-
Support services	3,083	-	-	4,958	55,544	-
Noninstructional services	-	-	4,000	2,724	1,048	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>3,083</u>	<u>-</u>	<u>5,431</u>	<u>51,746</u>	<u>307,868</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,028</u>	<u>-</u>	<u>(5,431)</u>	<u>(51,746)</u>	<u>(18,712)</u>	<u>-</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	27,395	-
Transfers out	-	-	-	(27,395)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,395)</u>	<u>27,395</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,028</u>	<u>-</u>	<u>(5,431)</u>	<u>(79,141)</u>	<u>8,683</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,028</u>	<u>\$ -</u>	<u>\$ 78,448</u>	<u>\$ -</u>	<u>\$ 8,683</u>	<u>\$ -</u>

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Innovative Education Program Strategies Title V (Part A)	Title IV Part A Drug Free 08/09	Title IV Part A Drug Free 09/10	Title IV Part A Drug Free 10/11	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction
Cash and investments - beginning	\$ -	\$ -	\$ 2,493	\$ -	\$ 2,927	\$ 215
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	4,633	77,931	3,630
Other	-	-	-	-	-	-
Total receipts	-	-	-	4,633	77,931	3,630
Disbursements:						
Current:						
Instruction	-	-	2,493	5,039	80,629	3,630
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	2,493	5,039	80,629	3,630
Excess (deficiency) of receipts over disbursements	-	-	(2,493)	(406)	(2,698)	-
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(215)
Total other financing sources (uses)	-	-	-	-	-	(215)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,493)	(406)	(2,698)	(215)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (406)	\$ 229	\$ -

MACONAQUAH SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Fiscal Stabilization Education	ARRA Title I Grants to LEAs	ARRA Special Education Part B	ARRA Special Education Part B Preschool	ARRA School Lunch Equipment	Totals
Cash and investments - beginning	\$ -	\$ 3,435	\$ (18,759)	\$ 1,226	\$ -	\$ 7,628,974
Receipts:						
Local sources	-	-	-	-	-	4,304,234
Intermediate sources	-	-	-	-	-	930
State sources	-	-	-	-	-	16,514,677
Federal sources	-	-	82,460	-	-	1,053,793
Other	-	-	-	-	-	2,924,279
Total receipts	-	-	82,460	-	-	24,797,913
Disbursements:						
Current:						
Instruction	-	1,195	62,990	631	-	10,437,783
Support services	-	2,240	-	-	-	11,195,626
Noninstructional services	-	-	-	-	-	1,237,476
Facilities acquisition and construction	-	-	-	-	-	897,348
Debt services	-	-	-	-	-	1,043,960
Nonprogrammed charges	-	-	-	-	-	220,958
Total disbursements	-	3,435	62,990	631	-	25,033,151
Excess (deficiency) of receipts over disbursements	-	(3,435)	19,470	(631)	-	(235,238)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	3,974
Transfers in	-	-	-	-	-	27,610
Transfers out	-	-	-	-	-	(27,610)
Total other financing sources (uses)	-	-	-	-	-	3,974
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,435)	19,470	(631)	-	(231,264)
Cash and investments - ending	\$ -	\$ -	\$ 711	\$ 595	\$ -	\$ 7,397,710

MACONAQUAH SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2011

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	\$ 194,300
Buildings	23,826,307
Improvements other than buildings	739,284
Machinery and equipment	<u>4,315,710</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 29,075,601</u></u>

MACONAQUAH SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2011

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2010 Renovation Project - High & Middle Schools	\$ 4,730,000	\$ 760,000
2007 Pipe Creek Elementary Renovation Project	1,485,000	247,025
2011 Laptop Computers Lease	299,980	104,325
Notes and loans payable		
Energy Savings Contract	903,997	331,956
Baseball Field Lighting Project	<u>67,076</u>	<u>35,946</u>
Total governmental activities debt	<u>\$ 7,486,053</u>	<u>\$ 1,479,252</u>

MACONAQUAH SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

***OVERDRAWN FUND BALANCES***

The Textbook Rental Fund was overdrawn in 2009-2010 and 2010-2011. A similar comment appeared in prior Reports B31549 and B35673.

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

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE MACONAQUAH SCHOOL CORPORATION, MIAMI COUNTY, INDIANA

Compliance

We have audited the compliance of the Maconaquah School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

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

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)

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in 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, and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, Board of School Trustees, others within the entity, 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

October 6, 2011

(This page intentionally left blank.)

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

MACONAQUAH SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 2009-2011	\$ 109,434	\$ 128,716
National School Lunch Program	10.555	FY 2009-2011	<u>446,330</u>	<u>505,925</u>
Total for Cluster			<u>555,764</u>	<u>634,641</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability Indiana ARRA National School Lunch Program Equipment Grant	10.579		<u>8,875</u>	<u>-</u>
Total for federal grantor agency			<u>564,639</u>	<u>634,641</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			
		FY 2008-2009	49,019	-
		FY 2009-2010	209,825	51,745
		FY 2010-2011	<u>-</u>	<u>307,867</u>
Total for program			258,844	359,612
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 2009-2011	<u>174,967</u>	<u>3,435</u>
Total for cluster			<u>433,811</u>	<u>363,047</u>
Pass-Through Kokomo Center Township Consolidated School Corporation				
Special Education Cluster (IDEA)				
ARRA - Special Education-Grants to States, Recovery Act	84.391	FY 2009-2011	435,193	62,990
ARRA - Special Education-Preschool Grants, Recovery Act	84.392	FY 2009-2011	<u>17,332</u>	<u>631</u>
Total for cluster			<u>452,525</u>	<u>63,621</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	FY 2009-2011	<u>1,461,193</u>	<u>-</u>
Direct Grant				
Impact Aid Cluster				
Impact Aid	84.041			
		FY 2009-2010	12,756	
		FY 2010-2011	<u>-</u>	<u>19,523</u>
Total for cluster			<u>12,756</u>	<u>19,523</u>
Pass-Through Indiana Department of Education				
Migrant Education - State Grant Program				
Title III, English Proficiency Migrant, Language Instruction	84.011			
Title III, English Proficiency Migrant, Language Instruction		FY 2009-2010	1,810	-
		FY 2010-2011	<u>-</u>	<u>3,630</u>
Total for program			<u>1,810</u>	<u>3,630</u>
Safe and Drug Free Schools and Communities-State Grants				
	84.186			
		FY 2008-2009	2,791	-
		FY 2009-2010	3,703	2,493
		FY 2010-2011	<u>-</u>	<u>5,039</u>
Total for program			<u>6,494</u>	<u>7,532</u>
State Grants for Innovative Programs				
IASA Innovative Education Program Strategies Title V, Part A	84.298	FY 2008-2009	<u>1,462</u>	<u>-</u>
Improving Teacher Quality State Grants				
Title II, Part A - Improving Teacher Quality, Class Size Reduction	84.367			
Title II, Part A - Improving Teacher Quality, Class Size Reduction		08-5615	78,503	2,927
		10-5615	<u>-</u>	<u>77,703</u>
Total for Program			<u>78,503</u>	<u>80,630</u>
Total for federal grantor agency			<u>2,448,554</u>	<u>537,983</u>
Total federal awards expended			<u>\$ 3,013,193</u>	<u>\$ 1,172,624</u>

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

MACONAQUAH SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Maconaquah School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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 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.

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009-2010	2010-2011
School Breakfast Program	10.553	\$ 9,556	\$ 11,800
National School Lunch Program	10.555	38,976	46,381

MACONAQUAH SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

Title I, Part A Cluster  
Special Education Cluster (IDEA)  
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.

MACONAQUAH SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MACONAQUAH SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2011, with Dr. Douglas Arnold, Superintendent of Schools; Brian Troyer, President of the School Board; James M. Callane, Assistant Superintendent of Schools; Tina Bonifant, Treasurer; and Corie Armes, Deputy Treasurer. The officials concurred with our audit findings.