

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY
ALLEN COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

01/13/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James W. Coplen	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Steven L. Yager	07-01-09 to 06-30-12
President of the School Board	John F. Blum John S. Bloom	07-01-09 to 06-30-10 07-01-10 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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

We have audited the accompanying financial statement of the Metropolitan School District of Southwest Allen County (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 an opinion on this 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 opinion.

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 November 21, 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, are 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, School Board, 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

November 21, 2011



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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 METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

We have audited the financial statement of the Metropolitan School District of Southwest Allen County (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated November 21, 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 opinion 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, School Board, 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

November 21, 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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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	Receipts	Disbursements	Receipts	Disbursements
General	\$ (387,030)	\$ 37,129,295	\$ 34,698,512	\$ 229,809	\$ 2,273,562	\$ 37,459,003	\$ 37,546,246	\$ 752,829	\$ 2,939,148	
Referendum	325,288	4,387,895	2,480,375	(159,854)	2,072,954	3,633,752	2,479,785	(693,365)	2,533,556	
Debt Service	1,576,284	15,143,581	11,285,762	-	5,434,103	10,008,863	11,269,641	(445,286)	3,728,039	
Severance Bonds	29,569	612,535	428,086	-	214,018	427,881	640,810	-	1,089	
Capital Projects	1,592,497	10,944,571	8,935,044	-	3,602,024	7,031,101	7,995,424	-	2,637,701	
School Transportation	146,952	4,016,285	3,311,496	-	851,741	2,654,298	2,520,655	141,924	1,127,308	
School Bus Replacement	54,694	363,663	-	-	418,357	284,112	106,594	-	595,875	
Special Education Preschool	98,449	99,002	127,496	(69,955)	-	-	-	-	-	
Rainy Day	1,684,302	5,076	450,000	-	1,239,378	3,154	140,000	443,000	1,545,532	
Retirement/Severance	4,100,074	10,391	3,239,443	-	871,022	1,822	80,308	-	792,536	
Construction	(204,205)	285,472	81,267	-	-	-	-	-	-	
Cafeteria	664,319	2,542,253	2,450,977	-	755,595	2,432,070	2,482,247	-	705,418	
Textbook Rental	108,827	554,679	485,176	-	178,330	540,126	52,320	2,286	668,422	
Self-Insurance	6,289,737	5,492,080	5,351,175	-	6,430,642	5,551,457	6,344,401	-	5,637,698	
Levy Excess	-	141,924	-	-	141,924	-	-	(141,924)	-	
Educational License Plates	2,663	3,825	2,963	(3,525)	-	1,200	1,200	-	-	
Alternative Education	-	231,042	231,042	-	-	8,676	115,262	106,586	-	
Early Intervention Grant	-	56,428	56,428	-	-	-	-	-	-	
American Chemical Society	1,500	-	1,500	-	-	-	-	-	-	
Donation/Trust	5,400	-	5,400	-	-	10,000	10,000	-	-	
Awards/Donation	52	7,646	6,069	-	1,629	400	1,629	-	400	
Local Grant	750	-	750	-	-	-	-	-	-	
Bob Evans	-	-	-	-	-	4,600	4,600	-	-	
Spartan Mentor	-	10,000	10,000	-	-	-	-	-	-	
American Institute	-	2,000	774	-	1,226	-	226	-	1,000	
Band Uniforms	20,352	10,083	-	-	30,435	78	-	-	30,513	
Vetter Memorial	1,272	-	-	-	1,272	-	-	-	1,272	
Center School Project	837	341	-	-	1,178	96	-	-	1,274	
NREA Mini	-	-	-	-	-	500	403	-	97	
LCE Scholarship	1,500	-	500	-	1,000	-	1,000	-	-	
Education Foundation	1,790	-	-	3,525	5,315	-	587	-	4,728	
Cares - YSPP	-	-	-	-	-	500	500	-	-	
Gifted/Talented	-	54,563	54,563	-	-	53,745	-	(53,745)	-	
Special Program Special Ed 2008	3,163	-	3,163	-	-	-	-	-	-	
CBI Preschool 2008	631	-	631	-	-	-	-	-	-	
Non-English Speaking Grant 2010	-	-	-	-	-	11,565	-	(11,565)	-	
Non-English Speaking Grant 2009	-	14,716	14,716	-	-	-	-	-	-	
Connectivity	-	-	-	-	-	7,080	5,310	-	1,770	
Tech Grant	-	6,815	-	-	6,815	500	3,475	-	3,840	
R.T.I. Grant	733	5,000	5,733	-	-	-	-	-	-	
Child Care Program 2010	-	-	-	-	-	249,220	163,879	-	85,341	
Child Care Program 2008	63,083	-	62,968	(115)	-	-	-	-	-	
Child Care Program 2009	-	244,895	165,686	115	79,324	-	79,324	-	-	
Pre-School Co-op 2010	-	-	-	-	-	71,337	78,664	-	(7,327)	
Pre-School Co-op 2009	2,551	71,343	78,125	-	(4,231)	4,863	632	-	-	

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Safe Haven Program 2010	-	-	-	-	-	21,999	20,000	-	1,999
Smith Green W.A. 2010	-	-	-	-	-	373,472	453,738	-	(80,266)
Safe Haven Program 2009	-	20,000	20,000	-	-	-	-	-	-
Smith Green W.A. 2007	43,776	-	-	(43,776)	-	-	-	-	-
Smith Green W.A. 2008	36,292	-	80,068	43,776	-	-	-	-	-
Smith Green W.A. 2009	-	342,492	402,414	-	(59,922)	63,027	3,105	-	-
Title I 2010	-	142,790	143,155	20,155	19,790	36,376	56,166	-	-
Title I 2011	-	-	-	-	-	149,171	162,566	-	(13,395)
Title I 2009	49,573	14,002	43,420	(20,155)	-	-	-	-	-
Title V 2009	3,206	-	3,206	-	-	-	-	-	-
IDEA 2010	-	-	-	-	-	1,608,790	1,759,337	-	(150,547)
IDEA 2009	270,136	2,399,411	2,413,794	-	255,753	173,841	454,281	-	(24,687)
IDEA C/O 2008	36,928	-	36,928	-	-	-	-	-	-
IDEA C/O 2009	-	165,126	115,104	-	50,022	-	50,022	-	-
Discretionary Grant 2010	-	-	-	-	-	95,245	106,048	-	(10,803)
Discretionary Grant 2008	4,692	9,979	14,671	-	-	-	-	-	-
Discretionary Grant 2009	-	112,421	112,192	-	229	5,149	5,378	-	-
Preschool 2010	-	-	-	-	-	56,648	61,512	-	(4,864)
Preschool 2009	-	66,259	61,395	-	4,864	-	4,864	-	-
Drug Free 2008	(563)	2,996	2,433	-	-	-	-	-	-
Drug Free 2009	-	6,708	3,647	-	3,061	2,828	10,284	-	(4,395)
FWCS Perkins	-	46,688	46,688	-	-	-	-	-	-
Perkins Grant 2010	-	-	-	-	-	22,230	22,679	-	(449)
Perkins Grant 2008	(7,322)	10,807	3,485	-	-	-	-	-	-
Perkins Grant 2009	-	-	17,036	-	(17,036)	20,000	2,964	-	-
Smaller Learning Communities 2010	-	140,892	140,892	-	-	40,441	40,441	-	-
Smaller Learning Communities 2011	-	-	-	-	-	165,266	167,615	-	(2,349)
Smaller Learning Communities 2008	-	73,312	73,312	-	-	-	-	-	-
Title II 2010	-	-	-	-	-	95,741	7,181	(88,560)	-
Title II 2008	88,854	-	88,854	-	-	-	-	-	-
Title II 2009	-	97,805	97,805	-	-	-	-	-	-
Title III 2010	-	-	-	-	-	12,440	260	(12,180)	-
Title III 2008	276	-	276	-	-	-	-	-	-
Title III 2009	-	12,740	12,740	-	-	-	-	-	-
Green Roof Project	-	-	-	-	-	205,431	205,431	-	-
Technology Literacy Challenge	13	-	13	-	-	-	-	-	-
Fiscal Stabilization - Education	2,725,059	1,392,890	4,117,949	-	-	-	-	-	-
Special Ed ARRA	-	1,970,474	1,809,974	-	160,500	1,073,574	1,348,099	-	(114,025)
Special Ed Pre-School ARRA	-	40,199	39,192	-	1,007	51,631	57,442	-	(4,804)
Payroll	180,097	10,589,464	10,604,403	-	165,158	10,380,147	10,378,548	-	166,757
Cafeteria Clearing	132,119	1,744,598	1,853,624	-	23,093	1,795,357	1,703,728	-	114,722
Totals	\$ 19,749,170	\$ 101,849,452	\$ 96,384,490	\$ -	\$ 25,214,132	\$ 86,900,803	\$ 89,206,811	\$ -	\$ 22,908,124

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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.

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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

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:

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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 settlement. 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 and 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.

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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Referendum	Debt Service	Severance Bonds	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance
Cash and investments - beginning	\$ (387,030)	\$ 325,288	\$ 1,576,284	\$ 29,569	\$ 1,592,497	\$ 146,952	\$ 54,694	\$ 98,449	\$ 1,684,302	\$ 4,100,074
Receipts:										
Local sources	1,145,898	4,387,895	15,129,120	612,535	10,940,620	3,932,826	348,141	-	5,076	9,247
Intermediate sources	235	-	-	-	-	-	-	-	-	-
State sources	35,358,936	-	-	-	-	-	-	99,002	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	624,226	-	14,461	-	3,951	83,459	15,522	-	-	1,144
Total receipts	<u>37,129,295</u>	<u>4,387,895</u>	<u>15,143,581</u>	<u>612,535</u>	<u>10,944,571</u>	<u>4,016,285</u>	<u>363,663</u>	<u>99,002</u>	<u>5,076</u>	<u>10,391</u>
Disbursements:										
Current:										
Instruction	23,557,417	2,327,602	-	-	-	-	-	63,368	450,000	3,120,570
Support services	10,897,573	152,773	-	-	4,097,115	2,499,498	-	64,128	-	118,873
Noninstructional services	241,131	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	4,212,929	998	-	-	-	-
Debt services	2,391	-	11,285,762	428,086	625,000	811,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>34,698,512</u>	<u>2,480,375</u>	<u>11,285,762</u>	<u>428,086</u>	<u>8,935,044</u>	<u>3,311,496</u>	<u>-</u>	<u>127,496</u>	<u>450,000</u>	<u>3,239,443</u>
Excess (deficiency) of receipts over disbursements	<u>2,430,783</u>	<u>1,907,520</u>	<u>3,857,819</u>	<u>184,449</u>	<u>2,009,527</u>	<u>704,789</u>	<u>363,663</u>	<u>(28,494)</u>	<u>(444,924)</u>	<u>(3,229,052)</u>
Other financing sources (uses):										
Transfers in	229,809	-	-	-	1,985,757	-	-	-	-	-
Transfers out	-	(159,854)	-	-	(1,985,757)	-	-	(69,955)	-	-
Total other financing sources (uses)	<u>229,809</u>	<u>(159,854)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,955)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,660,592</u>	<u>1,747,666</u>	<u>3,857,819</u>	<u>184,449</u>	<u>2,009,527</u>	<u>704,789</u>	<u>363,663</u>	<u>(98,449)</u>	<u>(444,924)</u>	<u>(3,229,052)</u>
Cash and investments - ending	<u>\$ 2,273,562</u>	<u>\$ 2,072,954</u>	<u>\$ 5,434,103</u>	<u>\$ 214,018</u>	<u>\$ 3,602,024</u>	<u>\$ 851,741</u>	<u>\$ 418,357</u>	<u>\$ -</u>	<u>\$ 1,239,378</u>	<u>\$ 871,022</u>

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

	Construction	Cafeteria	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	American Chemical Society	Donation/ Trust
Cash and investments - beginning	\$ (204,205)	\$ 664,319	\$ 108,827	\$ 6,289,737	\$ -	\$ 2,663	\$ -	\$ -	\$ 1,500	\$ 5,400
Receipts:										
Local sources	285,472	1,864,195	463,510	5,492,080	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	3,825	-	-	-	-
State sources	-	-	91,169	-	141,924	-	231,042	56,428	-	-
Federal sources	-	678,058	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	285,472	2,542,253	554,679	5,492,080	141,924	3,825	231,042	56,428	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	231,042	53,742	1,500	5,400
Support services	-	-	485,176	-	-	2,963	-	2,686	-	-
Noninstructional services	-	2,450,977	-	-	-	-	-	-	-	-
Facilities acquisition and construction	81,267	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	5,351,175	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	81,267	2,450,977	485,176	5,351,175	-	2,963	231,042	56,428	1,500	5,400
Excess (deficiency) of receipts over disbursements	204,205	91,276	69,503	140,905	141,924	862	-	-	(1,500)	(5,400)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(3,525)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(3,525)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	204,205	91,276	69,503	140,905	141,924	(2,663)	-	-	(1,500)	(5,400)
Cash and investments - ending	\$ -	\$ 755,595	\$ 178,330	\$ 6,430,642	\$ 141,924	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Awards/ Donation	Local Grant	Spartan Mentor	American Institute	Band Uniforms	Vetter Memorial	Center School Project	LCE Scholarship	Education Foundation	Gifted/ Talented
Cash and investments - beginning	\$ 52	\$ 750	\$ -	\$ -	\$ 20,352	\$ 1,272	\$ 837	\$ 1,500	\$ 1,790	\$ -
Receipts:										
Local sources	7,646	-	10,000	2,000	83	-	341	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	54,563
Federal sources	-	-	-	-	10,000	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	7,646	-	10,000	2,000	10,083	-	341	-	-	54,563
Disbursements:										
Current:										
Instruction	6,069	750	10,000	774	-	-	-	500	-	54,563
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,069	750	10,000	774	-	-	-	500	-	54,563
Excess (deficiency) of receipts over disbursements	1,577	(750)	-	1,226	10,083	-	341	(500)	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	3,525	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,525	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,577	(750)	-	1,226	10,083	-	341	(500)	3,525	-
Cash and investments - ending	\$ 1,629	\$ -	\$ -	\$ 1,226	\$ 30,435	\$ 1,272	\$ 1,178	\$ 1,000	\$ 5,315	\$ -

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

	Special Program Special Ed 2008	CBI Preschool 2008	Non-English Speaking Grant 2009	Tech Grant	R.T.I Grant	Child Care Program 2008	Child Care Program 2009	Pre-School Co-op 2009	Safe Haven Program 2009	Smith Green W.A. 2007
Cash and investments - beginning	\$ 3,163	\$ 631	\$ -	\$ -	\$ 733	\$ 63,083	\$ -	\$ 2,551	\$ -	\$ 43,776
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	14,716	6,815	5,000	-	-	-	20,000	-
Federal sources	-	-	-	-	-	-	244,895	71,343	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	14,716	6,815	5,000	-	244,895	71,343	20,000	-
Disbursements:										
Current:										
Instruction	3,163	631	14,716	-	5,733	-	-	78,125	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	62,968	165,686	-	20,000	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,163	631	14,716	-	5,733	62,968	165,686	78,125	20,000	-
Excess (deficiency) of receipts over disbursements	(3,163)	(631)	-	6,815	(733)	(62,968)	79,209	(6,782)	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	115	-	-	-
Transfers out	-	-	-	-	-	(115)	-	-	-	(43,776)
Total other financing sources (uses)	-	-	-	-	-	(115)	115	-	-	(43,776)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,163)	(631)	-	6,815	(733)	(63,083)	79,324	(6,782)	-	(43,776)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 6,815	\$ -	\$ -	\$ 79,324	\$ (4,231)	\$ -	\$ -

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

	Smith Green W.A. 2008	Smith Green W.A. 2009	Title I 2010	Title I 2009	Title V 2009	IDEA 2009	IDEA C/O 2008	IDEA C/O 2009	Discretionary Grant 2008	Discretionary Grant 2009
Cash and investments - beginning	\$ 36,292	\$ -	\$ -	\$ 49,573	\$ 3,206	\$ 270,136	\$ 36,928	\$ -	\$ 4,692	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	342,492	142,790	14,002	-	2,399,411	-	165,126	9,979	112,421
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	342,492	142,790	14,002	-	2,399,411	-	165,126	9,979	112,421
Disbursements:										
Current:										
Instruction	73,254	241,760	124,345	34,099	3,206	1,063,848	32,503	90,181	-	-
Support services	6,814	160,654	1,410	8,521	-	1,349,946	4,425	24,923	9,892	112,192
Noninstructional services	-	-	2,608	800	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	14,792	-	-	-	-	-	4,779	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	80,068	402,414	143,155	43,420	3,206	2,413,794	36,928	115,104	14,671	112,192
Excess (deficiency) of receipts over disbursements	(80,068)	(59,922)	(365)	(29,418)	(3,206)	(14,383)	(36,928)	50,022	(4,692)	229
Other financing sources (uses):										
Transfers in	43,776	-	20,155	-	-	-	-	-	-	-
Transfers out	-	-	-	(20,155)	-	-	-	-	-	-
Total other financing sources (uses)	43,776	-	20,155	(20,155)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,292)	(59,922)	19,790	(49,573)	(3,206)	(14,383)	(36,928)	50,022	(4,692)	229
Cash and investments - ending	\$ -	\$ (59,922)	\$ 19,790	\$ -	\$ -	\$ 255,753	\$ -	\$ 50,022	\$ -	\$ 229

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

	Preschool 2009	Drug Free 2008	Drug Free 2009	FWCS Perkins	Perkins Grant 2008	Perkins Grant 2009	Smaller Learning Communities 2010	Smaller Learning Communities 2008	Title II 2008	Title II 2009
Cash and investments - beginning	\$ -	\$ (563)	\$ -	\$ -	\$ (7,322)	\$ -	\$ -	\$ -	\$ 88,854	\$ -
Receipts:										
Local sources	-	-	-	46,688	10,807	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	66,259	2,996	6,708	-	-	-	140,892	73,312	-	97,805
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	66,259	2,996	6,708	46,688	10,807	-	140,892	73,312	-	97,805
Disbursements:										
Current:										
Instruction	61,395	2,433	3,647	46,688	3,485	17,036	-	-	88,854	90,454
Support services	-	-	-	-	-	-	140,892	73,312	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	7,351
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	61,395	2,433	3,647	46,688	3,485	17,036	140,892	73,312	88,854	97,805
Excess (deficiency) of receipts over disbursements	4,864	563	3,061	-	7,322	(17,036)	-	-	(88,854)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,864	563	3,061	-	7,322	(17,036)	-	-	(88,854)	-
Cash and investments - ending	\$ 4,864	\$ -	\$ 3,061	\$ -	\$ -	\$ (17,036)	\$ -	\$ -	\$ -	\$ -

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

	Title III 2008	Title III 2009	Technology Literacy Challenge	Fiscal Stabilization Education	Special Ed ARRA	Special Ed Pre-School ARRA	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ 276	\$ -	\$ 13	\$ 2,725,059	\$ -	\$ -	\$ 180,097	\$ 132,119	\$ 19,749,170
Receipts:									
Local sources	-	-	-	-	-	-	-	-	44,694,180
Intermediate sources	-	-	-	-	-	-	-	-	4,060
State sources	-	12,740	-	-	-	-	-	-	36,092,335
Federal sources	-	-	-	1,392,890	1,970,474	40,199	-	-	7,982,052
Other	-	-	-	-	-	-	10,589,464	1,744,598	13,076,825
Total receipts	-	12,740	-	1,392,890	1,970,474	40,199	10,589,464	1,744,598	101,849,452
Disbursements:									
Current:									
Instruction	276	12,490	-	4,117,949	836,417	2,126	-	-	36,932,111
Support services	-	-	13	-	973,557	37,066	-	-	21,224,402
Noninstructional services	-	-	-	-	-	-	-	-	2,944,170
Facilities acquisition and construction	-	-	-	-	-	-	-	-	4,295,194
Debt services	-	-	-	-	-	-	-	-	13,152,239
Nonprogrammed charges	-	250	-	-	-	-	-	-	5,378,347
Other	-	-	-	-	-	-	10,604,403	1,853,624	12,458,027
Total disbursements	276	12,740	13	4,117,949	1,809,974	39,192	10,604,403	1,853,624	96,384,490
Excess (deficiency) of receipts over disbursements	(276)	-	(13)	(2,725,059)	160,500	1,007	(14,939)	(109,026)	5,464,962
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	2,283,137
Transfers out	-	-	-	-	-	-	-	-	(2,283,137)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(276)	-	(13)	(2,725,059)	160,500	1,007	(14,939)	(109,026)	5,464,962
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 160,500	\$ 1,007	\$ 165,158	\$ 23,093	\$ 25,214,132

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Referendum	Debt Service	Severance Bonds	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance	Cafeteria
Cash and investments - beginning	\$ 2,273,562	\$ 2,072,954	\$ 5,434,103	\$ 214,018	\$ 3,602,024	\$ 851,741	\$ 418,357	\$ 1,239,378	\$ 871,022	\$ 755,595
Receipts:										
Local sources	929,250	3,633,752	9,527,839	397,341	7,000,024	2,583,163	284,112	3,154	1,822	2,013,692
Intermediate sources	140	-	-	-	-	-	-	-	-	-
State sources	36,209,458	-	480,258	30,540	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	418,378
Other	320,155	-	766	-	31,077	71,135	-	-	-	-
Total receipts	<u>37,459,003</u>	<u>3,633,752</u>	<u>10,008,863</u>	<u>427,881</u>	<u>7,031,101</u>	<u>2,654,298</u>	<u>284,112</u>	<u>3,154</u>	<u>1,822</u>	<u>2,432,070</u>
Disbursements:										
Current:										
Instruction	26,411,290	2,326,761	-	-	-	-	-	-	80,308	-
Support services	10,575,151	153,024	-	-	3,944,880	2,519,518	106,594	140,000	-	-
Noninstructional services	555,569	-	-	-	-	-	-	-	-	2,482,247
Facilities acquisition and construction	-	-	-	-	4,050,544	1,137	-	-	-	-
Debt services	4,236	-	11,269,641	640,810	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>37,546,246</u>	<u>2,479,785</u>	<u>11,269,641</u>	<u>640,810</u>	<u>7,995,424</u>	<u>2,520,655</u>	<u>106,594</u>	<u>140,000</u>	<u>80,308</u>	<u>2,482,247</u>
Excess (deficiency) of receipts over disbursements	<u>(87,243)</u>	<u>1,153,967</u>	<u>(1,260,778)</u>	<u>(212,929)</u>	<u>(964,323)</u>	<u>133,643</u>	<u>177,518</u>	<u>(136,846)</u>	<u>(78,486)</u>	<u>(50,177)</u>
Other financing sources (uses):										
Transfers in	859,415	-	-	-	1,234,979	141,924	-	443,000	-	-
Transfers out	(106,586)	(693,365)	(445,286)	-	(1,234,979)	-	-	-	-	-
Total other financing sources (uses)	<u>752,829</u>	<u>(693,365)</u>	<u>(445,286)</u>	<u>-</u>	<u>-</u>	<u>141,924</u>	<u>-</u>	<u>443,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>665,586</u>	<u>460,602</u>	<u>(1,706,064)</u>	<u>(212,929)</u>	<u>(964,323)</u>	<u>275,567</u>	<u>177,518</u>	<u>306,154</u>	<u>(78,486)</u>	<u>(50,177)</u>
Cash and investments - ending	<u>\$ 2,939,148</u>	<u>\$ 2,533,556</u>	<u>\$ 3,728,039</u>	<u>\$ 1,089</u>	<u>\$ 2,637,701</u>	<u>\$ 1,127,308</u>	<u>\$ 595,875</u>	<u>\$ 1,545,532</u>	<u>\$ 792,536</u>	<u>\$ 705,418</u>

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

	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Donation/ Trust	Awards/ Donation	Bob Evans	American Institute	Band Uniforms
Cash and investments - beginning	\$ 178,330	\$ 6,430,642	\$ 141,924	\$ -	\$ -	\$ -	\$ 1,629	\$ -	\$ 1,226	\$ 30,435
Receipts:										
Local sources	437,261	5,551,457	-	-	-	10,000	400	4,600	-	78
Intermediate sources	-	-	-	1,200	-	-	-	-	-	-
State sources	102,865	-	-	-	8,676	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	540,126	5,551,457	-	1,200	8,676	10,000	400	4,600	-	78
Disbursements:										
Current:										
Instruction	-	-	-	-	115,262	10,000	1,629	4,600	226	-
Support services	52,320	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	6,344,401	-	1,200	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	52,320	6,344,401	-	1,200	115,262	10,000	1,629	4,600	226	-
Excess (deficiency) of receipts over disbursements	487,806	(792,944)	-	-	(106,586)	-	(1,229)	-	(226)	78
Other financing sources (uses):										
Transfers in	2,286	-	-	-	106,586	-	-	-	-	-
Transfers out	-	-	(141,924)	-	-	-	-	-	-	-
Total other financing sources (uses)	2,286	-	(141,924)	-	106,586	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	490,092	(792,944)	(141,924)	-	-	-	(1,229)	-	(226)	78
Cash and investments - ending	\$ 668,422	\$ 5,637,698	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ 1,000	\$ 30,513

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

	Vetter Memorial	Center School Project	NREA Mini	LCE Scholarship	Education Foundation	Cares - YSPP	Gifted/ Talented	Non-English Speaking Grant 2010	Connectivity	Tech Grant
Cash and investments - beginning	\$ 1,272	\$ 1,178	\$ -	\$ 1,000	\$ 5,315	\$ -	\$ -	\$ -	\$ -	\$ 6,815
Receipts:										
Local sources	-	96	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	53,745	11,565	7,080	500
Federal sources	-	-	500	-	-	500	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	96	500	-	-	500	53,745	11,565	7,080	500
Disbursements:										
Current:										
Instruction	-	-	-	1,000	-	500	-	-	-	-
Support services	-	-	-	-	-	-	-	-	5,310	3,475
Noninstructional services	-	-	403	-	587	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	403	1,000	587	500	-	-	5,310	3,475
Excess (deficiency) of receipts over disbursements	-	96	97	(1,000)	(587)	-	53,745	11,565	1,770	(2,975)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(53,745)	(11,565)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(53,745)	(11,565)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	96	97	(1,000)	(587)	-	-	-	1,770	(2,975)
Cash and investments - ending	\$ 1,272	\$ 1,274	\$ 97	\$ -	\$ 4,728	\$ -	\$ -	\$ -	\$ 1,770	\$ 3,840

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

	Child Care Program 2010	Child Care Program 2009	Pre-School Co-op 2010	Pre-School Co-op 2009	Safe Haven Program 2010	Smith Green W.A. 2010	Smith Green W.A. 2009	Title I 2010	Title I 2011	IDEA 2010
Cash and investments - beginning	\$ -	\$ 79,324	\$ -	\$ (4,231)	\$ -	\$ -	\$ (59,922)	\$ 19,790	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	21,999	-	-	-	-	-
Federal sources	248,620	-	71,337	4,863	-	373,472	63,027	36,376	149,171	1,608,790
Other	600	-	-	-	-	-	-	-	-	-
Total receipts	249,220	-	71,337	4,863	21,999	373,472	63,027	36,376	149,171	1,608,790
Disbursements:										
Current:										
Instruction	-	-	78,664	632	-	295,119	436	53,129	131,984	497,800
Support services	-	-	-	-	-	158,619	2,669	1,866	23,058	1,261,537
Noninstructional services	163,879	79,324	-	-	20,000	-	-	1,171	230	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	7,294	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	163,879	79,324	78,664	632	20,000	453,738	3,105	56,166	162,566	1,759,337
Excess (deficiency) of receipts over disbursements	85,341	(79,324)	(7,327)	4,231	1,999	(80,266)	59,922	(19,790)	(13,395)	(150,547)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	85,341	(79,324)	(7,327)	4,231	1,999	(80,266)	59,922	(19,790)	(13,395)	(150,547)
Cash and investments - ending	\$ 85,341	\$ -	\$ (7,327)	\$ -	\$ 1,999	\$ (80,266)	\$ -	\$ -	\$ (13,395)	\$ (150,547)

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

	IDEA 2009	IDEA C/O 2009	Discretionary Grant 2010	Discretionary Grant 2009	Preschool 2010	Preschool 2009	Drug Free 2009	Perkins Grant 2010	Perkins Grant 2009	Smaller Learning Communities 2010
Cash and investments - beginning	\$ 255,753	\$ 50,022	\$ -	\$ 229	\$ -	\$ 4,864	\$ 3,061	\$ -	\$ (17,036)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	22,230	20,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	173,841	-	95,245	5,149	56,648	-	2,828	-	-	40,441
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	173,841	-	95,245	5,149	56,648	-	2,828	22,230	20,000	40,441
Disbursements:										
Current:										
Instruction	242,246	39,827	-	-	61,512	4,864	10,016	22,679	2,964	-
Support services	212,035	10,195	106,048	5,378	-	-	268	-	-	40,441
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	454,281	50,022	106,048	5,378	61,512	4,864	10,284	22,679	2,964	40,441
Excess (deficiency) of receipts over disbursements	(280,440)	(50,022)	(10,803)	(229)	(4,864)	(4,864)	(7,456)	(449)	17,036	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(280,440)	(50,022)	(10,803)	(229)	(4,864)	(4,864)	(7,456)	(449)	17,036	-
Cash and investments - ending	\$ (24,687)	\$ -	\$ (10,803)	\$ -	\$ (4,864)	\$ -	\$ (4,395)	\$ (449)	\$ -	\$ -

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

	Smaller Learning Communities 2011	Title II 2010	Title III 2010	Green Roof Project	Special Ed ARRA	Special Ed Pre-School ARRA	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 160,500	\$ 1,007	\$ 165,158	\$ 23,093	\$ 25,214,132
Receipts:									
Local sources	-	-	-	-	-	-	-	-	32,420,271
Intermediate sources	-	-	-	-	-	-	-	-	1,340
State sources	-	-	12,440	-	-	-	-	-	36,939,126
Federal sources	165,266	95,741	-	205,431	1,073,574	51,631	-	-	4,940,829
Other	-	-	-	-	-	-	10,380,147	1,795,357	12,599,237
Total receipts	<u>165,266</u>	<u>95,741</u>	<u>12,440</u>	<u>205,431</u>	<u>1,073,574</u>	<u>51,631</u>	<u>10,380,147</u>	<u>1,795,357</u>	<u>86,900,803</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	1,040,195	34,825	-	-	31,468,468
Support services	167,615	-	-	-	307,904	22,617	-	-	19,820,522
Noninstructional services	-	-	-	-	-	-	-	-	3,303,410
Facilities acquisition and construction	-	-	-	205,431	-	-	-	-	4,257,112
Debt services	-	-	-	-	-	-	-	-	11,914,687
Nonprogrammed charges	-	7,181	260	-	-	-	-	-	6,360,336
Other	-	-	-	-	-	-	10,378,548	1,703,728	12,082,276
Total disbursements	<u>167,615</u>	<u>7,181</u>	<u>260</u>	<u>205,431</u>	<u>1,348,099</u>	<u>57,442</u>	<u>10,378,548</u>	<u>1,703,728</u>	<u>89,206,811</u>
Excess (deficiency) of receipts over disbursements	<u>(2,349)</u>	<u>88,560</u>	<u>12,180</u>	<u>-</u>	<u>(274,525)</u>	<u>(5,811)</u>	<u>1,599</u>	<u>91,629</u>	<u>(2,306,008)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	2,788,190
Transfers out	-	(88,560)	(12,180)	-	-	-	-	-	(2,788,190)
Total other financing sources (uses)	<u>-</u>	<u>(88,560)</u>	<u>(12,180)</u>	<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>(2,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(274,525)</u>	<u>(5,811)</u>	<u>1,599</u>	<u>91,629</u>	<u>(2,306,008)</u>
Cash and investments - ending	<u>\$ (2,349)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,025)</u>	<u>\$ (4,804)</u>	<u>\$ 166,757</u>	<u>\$ 114,722</u>	<u>\$ 22,908,124</u>

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
 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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,604,300
Buildings	113,500,424
Improvements other than buildings	7,058,444
Machinery and equipment	<u>6,723,429</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 130,886,597</u>

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Buildings	\$ 59,995,000	\$ 5,151,633	020- Debt Service
Copiers	95,476	49,992	035- Capital Projects
Notes and loans payable	1,765,910	299,108	035- Capital Projects
Bonds payable:			
General obligation bonds:			
Retirement or severance liabilities	<u>2,225,000</u>	<u>213,661</u>	025- Severance Bonds
Total debt	<u>\$ 64,081,386</u>	<u>\$ 5,714,394</u>	

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

Compliance

We have audited the compliance of the Metropolitan School District of Southwest Allen 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, 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 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.

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 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, School Board of 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

November 21, 2011

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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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 6,061	\$ 21,594
National School Lunch Program	10.555		<u>642,263</u>	<u>685,879</u>
Total for federal grantor agency			<u>648,324</u>	<u>707,473</u>
<u>U.S. DEPARTMENT OF ENERGY</u>				
Direct Grant				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		<u>-</u>	<u>205,431</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
Basic Grant		09-0125	43,418	-
Basic Grant		10-0125	162,944	36,377
Basic Grant		11-0125	<u>-</u>	<u>149,170</u>
Total for cluster			<u>206,362</u>	<u>185,547</u>
Special Education Cluster (IDEA)				
Special Education-Grants to States	84.027			
		14208-039-DY01	14,671	-
		14208-054-PY02	36,927	-
		14209-054-DY02	112,420	5,150
		14209-054-PY02	165,127	-
		14209-054-PN01	410,756	-
		14210-054-PN01	2,258,790	173,841
		14211-054-PN011	-	1,608,788
Pass-Through Indiana State University				
Special Education-Grants to States	84.027			
		FY 2010-2011	<u>-</u>	<u>95,245</u>
Total for program			<u>2,998,691</u>	<u>1,883,024</u>
Pass-Through Indiana Department of Education				
Special Education - Preschool Grants	84.173			
		45710-054-PN01	66,259	-
		45711-054-PN01	<u>-</u>	<u>56,648</u>
Total for program			<u>66,259</u>	<u>56,648</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-054-SN01	<u>1,383,441</u>	<u>1,073,571</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-054-SN01	<u>40,198</u>	<u>51,631</u>
Total for cluster			<u>4,488,589</u>	<u>3,064,874</u>

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2010 and 2011
 (Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
State Fiscal Stabilization Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 2009-2010	4,117,949	-
Direct Grant				
Fund for the Improvement of Education	84.215	S215L060087	214,205	205,705
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States	84.048	FY 2010-2011	-	20,000
Pass-Through Fort Wayne Community Schools				
Career and Technical Education - Basic Grants to States	84.048	FY 2010-2011	-	11,028
Total for program			-	31,028
Pass-Through Indiana Department of Education				
Safe and Drug Free - Schools and Communities - State Grants	84.186	08-0125 FY 2009-2010	2,433 6,708	- 2,828
Total for program			9,141	2,828
Projects with Industry	84.234	FY 2010-2011	-	11,202
State Grants for Innovative Programs	84.298	FY 2008-2009	3,206	-
English Language Acquisition Grants	84.365	FY 2008-2009 FY 2009-2010 01111-002-PN01	276 12,740 -	- - 12,440
Total for program			13,016	12,440
Improving Teacher Quality State Grants	84.367	08-0125 09-0125 10-0125	88,854 97,805 -	- - 95,741
Total for program			186,659	95,741
Total for federal grantor agency			9,239,127	3,609,365
Total federal awards expended			<u>\$ 9,887,451</u>	<u>\$ 4,522,269</u>

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 Metropolitan School District of Southwest Allen County (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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2010 and 2011:

Program Title	Federal CFDA Number	FY 2010	FY 2011
Special Education - Grants to States	84.027	\$ 1,183,587	\$ 1,171,201
ARRA Special Education – Grants to States, Recovery Act	84.391	588,480	700,024
ARRA Special Education – Preschool Grants, Recovery Act	84.392	20,076	27,978

Note 3. 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	FY 2010	FY 2011
National School Lunch Program	10.555	\$ 128,418	\$ 161,397

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 deficiencies 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

Child Nutrition Cluster
Special Education Cluster (IDEA)
State Fiscal Stabilization Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$432,292

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2011, with James W. Coplen, Treasurer; Dr. Steven L. Yager, Superintendent of Schools; John S. Bloom, President of the School Board; Philip G. Downs, Assistant Superintendent of Schools; and Mary A. McCrory, Deputy Treasurer. Our audit disclosed no material items that warrant comment at this time.