

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

MADISON-GRANT UNITED SCHOOL CORPORATION
GRANT COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
02/01/2012

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	8-9
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
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	36-37
Notes to Schedule of Expenditures of Federal Awards	38
Schedule of Findings and Questioned Costs	39
Auditee Prepared Schedule: Summary Schedule of Prior Audit Findings	40
Exit Conference	41

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca S. Monroe	07-01-09 to 06-30-12
Superintendent of Schools	John D. Trout	07-01-09 to 06-30-12
President of the School Board	Michael K. Solms Carl L. Chambers	07-01-09 to 08-31-11 09-01-11 to 06-30-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE MADISON-GRANT UNITED SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

We have audited the accompanying financial statement of the Madison-Grant United 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 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 December 19, 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, 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

December 19, 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 MADISON-GRANT UNITED SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

We have audited the financial statement of the Madison-Grant United School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 19, 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

December 19, 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.

MADISON-GRANT UNITED 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	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 2,273,687	\$ 9,179,857	\$ 8,556,707	\$ (537)	\$ 2,896,300	\$ 9,010,019	\$ 9,185,271	\$ 542	\$ 2,721,590
Debt Service	-	1,364,904	1,140,210	-	224,694	1,360,390	1,058,000	(1,036)	526,048
Pension Bond Debt Service	-	459,365	431,146	-	28,219	421,989	323,493	-	126,715
Capital Projects	135,777	1,213,758	902,761	-	446,774	1,333,557	1,046,650	-	733,681
School Transportation	262,328	846,991	768,061	-	341,258	858,094	679,652	16,011	535,711
School Bus Replacement	44,737	106,878	143,960	-	7,655	195,397	80,872	-	122,180
Special Education Preschool	-	18,097	18,097	-	-	-	-	-	-
Rainy Day	279,181	3,919	-	-	283,100	3,073	-	-	286,173
School Lunch	1,024	697,326	603,355	-	94,995	662,987	623,059	-	134,923
Textbook Rental	15,998	131,186	135,425	-	11,759	120,798	65,983	1,036	67,610
Levy Excess	-	5,914	-	-	5,914	10,097	-	(16,011)	-
Educational License Plates	5,175	750	4,300	-	1,625	750	1,200	-	1,175
Round Robins Award Liberty	315	-	-	-	315	-	-	-	315
Liberty Community Foundation	15	654	655	-	14	247	239	-	22
Park Community Foundation	140	-	140	-	-	707	608	-	99
Summitville Community Foundation	322	557	879	-	-	709	470	-	239
Summitville PSI IOTA XI Award	8	-	1	-	7	250	-	-	257
Summitville Walmart Award	-	-	-	-	-	1,000	-	-	1,000
First Christian Church Summitville	-	608	608	-	-	-	-	-	-
Summitville Fisher Body Donation	144	-	-	-	144	-	83	-	61
Summitville Lowes Foundation	689	-	689	-	-	-	-	-	-
Summitville Playground Equipment	-	-	-	-	-	1,500	-	-	1,500
Junior High Community Foundation	408	-	408	-	-	130	110	-	20
Round Robins Junior High	153	1,100	1,253	-	-	1,000	1,000	-	-
Boren Foundation Donation	1,229	-	-	-	1,229	-	-	-	1,229
Round Robins High School	-	-	-	-	-	500	-	-	500
Boren Foundation High School Math Program	51,500	-	51,500	-	-	-	-	-	-
Community Donations	-	100	100	-	-	-	-	-	-
Cultural Arts	-	1,000	1,000	-	-	-	-	-	-
Boren Foundation Corporation Grant	-	61,795	-	-	61,795	-	39,602	-	22,193
Central Indiana Ethanol Donation	10,000	-	10,000	-	-	20,000	-	-	20,000
Galey Scholarship	10,964	256	800	-	10,420	298	800	-	9,918
Harold M. Dick Scholarship	10,000	265	265	-	10,000	171	171	-	10,000
Robert Huff Scholarship	2,839	37	250	-	2,626	28	-	-	2,654
Janice Phipps Scholarship	1,302	15	250	-	1,067	12	-	-	1,079

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

MADISON-GRANT UNITED 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
(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
Rollins-Paul Scholarship	3,256	1,375	1,000	-	3,631	180	1,000	-	2,811
Family and Consumer Science Scholarship	1,688	-	-	-	1,688	-	-	-	1,688
Hazel Baker Foundation	21	36,914	36,914	-	21	52,393	52,388	-	26
Wellness Grant - USDA	130	-	-	-	130	-	-	-	130
Wellness Grant - North Central Ins	5,605	12,374	12,499	-	5,480	12,876	11,250	-	7,106
Health Consortium Surplus Grant	-	37,500	-	-	37,500	12,500	50,000	-	-
Indiana Next Grant	1,543	-	-	-	1,543	-	-	-	1,543
High Ability Grant 08-09	13,526	-	13,526	-	-	-	-	-	-
High Ability Grant 09-10	-	31,580	20,857	-	10,723	-	10,723	-	-
High Ability Grant 10-11	-	-	-	-	-	31,107	22,480	-	8,627
Non-English Speaking Programs P.L. 273-1999	1,440	-	-	-	1,440	-	-	-	1,440
School Technology Connectivity	-	-	-	-	-	5,261	3,216	-	2,045
Latch Key	31,261	19,056	25,605	-	24,712	16,420	14,360	-	26,772
School Lunch Banquet	479	470	1,294	727	382	1,243	1,256	-	369
CAPE Consortium - Parents	555	-	-	-	555	-	493	-	62
Title I - 2008-09	146,193	470	87,903	(58,760)	-	-	-	-	-
Title I - 2009-10	-	393,594	401,461	58,760	50,893	-	27,958	(22,935)	-
Title I - 2010-11	-	-	-	-	-	369,519	363,491	22,935	28,963
Title V - FY 2007-08	927	-	927	-	-	-	-	-	-
PL 108 - FY 2008-09	63,139	-	63,139	-	-	-	-	-	-
PL 108 - FY 2009-10	-	312,082	226,831	-	85,251	-	85,251	-	-
PL 108 - FY 2010-11	-	-	-	-	-	332,418	254,235	-	78,183
Title II Part A - FY 2008-09	16,940	-	16,940	-	-	-	-	-	-
Title II Part A - FY 2009-10	-	80,436	74,765	-	5,671	-	5,671	-	-
Title II Part A - FY 2010-11	-	-	-	-	-	77,889	74,378	-	3,511
Title II Part D - FY 2008-09	30,518	20,350	14,178	-	36,690	-	35,622	-	1,068
Rural Schools and Low Income Program	-	-	-	-	-	-	16,675	-	(16,675)
Fiscal Stabilization - Education	779,610	304,916	1,084,526	-	-	-	-	-	-
Stimulus Title I - Part A 2009	-	38,193	-	-	38,193	37,200	56,753	-	18,640
Stimulus Special Education - Part B	-	288,802	188,822	-	99,980	634	123,993	-	(23,379)
Stimulus Special Education Preschool - Part B	-	12,584	12,584	-	-	-	-	-	-
Totals	\$ 4,204,766	\$ 15,686,028	\$ 15,056,591	\$ 190	\$ 4,834,393	\$ 14,953,343	\$ 14,318,456	\$ 542	\$ 5,469,822

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

MADISON-GRANT UNITED 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.

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.

MADISON-GRANT UNITED SCHOOL CORPORATION
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.

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.

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.

MADISON-GRANT UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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.

MADISON-GRANT UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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:

MADISON-GRANT UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

MADISON-GRANT UNITED 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	Pension Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,273,687	\$ -	\$ -	\$ 135,777	\$ 262,328	\$ 44,737	\$ -	\$ 279,181	\$ 1,024	\$ 15,998
Receipts:										
Local sources	78,777	1,364,904	446,973	1,213,758	846,991	106,878	2,972	3,919	316,787	77,455
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	8,909,392	-	-	-	-	-	15,125	-	9,050	46,532
Federal sources	-	-	-	-	-	-	-	-	370,736	-
Interfund loans	190,835	-	12,392	-	-	-	-	-	-	-
Other	853	-	-	-	-	-	-	-	753	7,199
Total receipts	<u>9,179,857</u>	<u>1,364,904</u>	<u>459,365</u>	<u>1,213,758</u>	<u>846,991</u>	<u>106,878</u>	<u>18,097</u>	<u>3,919</u>	<u>697,326</u>	<u>131,186</u>
Disbursements:										
Current:										
Instruction	4,153,234	-	-	-	-	-	12,577	-	-	-
Support services	3,953,160	-	-	569,552	768,061	143,960	5,520	-	41,192	135,425
Noninstructional services	-	-	-	-	-	-	-	-	562,163	-
Facilities acquisition and construction	28,060	-	-	333,209	-	-	-	-	-	-
Debt services	-	1,058,000	322,521	-	-	-	-	-	-	-
Nonprogrammed charges	409,861	-	-	-	-	-	-	-	-	-
Interfund loans	12,392	82,210	108,625	-	-	-	-	-	-	-
Total disbursements	<u>8,556,707</u>	<u>1,140,210</u>	<u>431,146</u>	<u>902,761</u>	<u>768,061</u>	<u>143,960</u>	<u>18,097</u>	<u>-</u>	<u>603,355</u>	<u>135,425</u>
Excess (deficiency) of receipts over disbursements	<u>623,150</u>	<u>224,694</u>	<u>28,219</u>	<u>310,997</u>	<u>78,930</u>	<u>(37,082)</u>	<u>-</u>	<u>3,919</u>	<u>93,971</u>	<u>(4,239)</u>
Other financing sources (uses):										
Sale of capital assets	190	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(727)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(537)</u>	<u>-</u>	<u>-</u>	<u>-</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>622,613</u>	<u>224,694</u>	<u>28,219</u>	<u>310,997</u>	<u>78,930</u>	<u>(37,082)</u>	<u>-</u>	<u>3,919</u>	<u>93,971</u>	<u>(4,239)</u>
Cash and investments - ending	<u>\$ 2,896,300</u>	<u>\$ 224,694</u>	<u>\$ 28,219</u>	<u>\$ 446,774</u>	<u>\$ 341,258</u>	<u>\$ 7,655</u>	<u>\$ -</u>	<u>\$ 283,100</u>	<u>\$ 94,995</u>	<u>\$ 11,759</u>

MADISON-GRANT UNITED 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)

	Levy Excess	Educational License Plates	Round Robins Award Liberty	Liberty Community Foundation	Park Community Foundation	Summitville Community Foundation	Summitville PSI IOTA XI Award	First Christian Church Summitville	Summitville Fisher Body Donation	Summitville Lowe's Foundation
Cash and investments - beginning	\$ -	\$ 5,175	\$ 315	\$ 15	\$ 140	\$ 322	\$ 8	\$ -	\$ 144	\$ 689
Receipts:										
Local sources	5,914	-	-	-	-	-	-	-	-	-
Intermediate sources	-	750	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	654	-	557	-	608	-	-
Total receipts	5,914	750	-	654	-	557	-	608	-	-
Disbursements:										
Current:										
Instruction	-	-	-	655	140	879	1	608	-	689
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	4,300	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,300	-	655	140	879	1	608	-	689
Excess (deficiency) of receipts over disbursements	5,914	(3,550)	-	(1)	(140)	(322)	(1)	-	-	(689)
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	5,914	(3,550)	-	(1)	(140)	(322)	(1)	-	-	(689)
Cash and investments - ending	\$ 5,914	\$ 1,625	\$ 315	\$ 14	\$ -	\$ -	\$ 7	\$ -	\$ 144	\$ -

MADISON-GRANT UNITED 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)

	Junior High Community Foundation	Round Robins Junior High	Boren Foundation Donation	Boren Foundation High School Math Program	Community Donations	Cultural Arts	Boren Foundation Corporation Grant	Central Indiana Ethanol Donation	Galey Scholarship	Harold M. Dick Scholarship
Cash and investments - beginning	\$ 408	\$ 153	\$ 1,229	\$ 51,500	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,964	\$ 10,000
Receipts:										
Local sources	-	-	-	-	-	-	-	-	256	265
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	1,100	-	-	100	1,000	61,795	-	-	-
Total receipts	-	1,100	-	-	100	1,000	61,795	-	256	265
Disbursements:										
Current:										
Instruction	408	1,253	-	51,500	100	1,000	-	-	-	-
Support services	-	-	-	-	-	-	-	10,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	800	265
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	408	1,253	-	51,500	100	1,000	-	10,000	800	265
Excess (deficiency) of receipts over disbursements	(408)	(153)	-	(51,500)	-	-	61,795	(10,000)	(544)	-
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	(408)	(153)	-	(51,500)	-	-	61,795	(10,000)	(544)	-
Cash and investments - ending	\$ -	\$ -	\$ 1,229	\$ -	\$ -	\$ -	\$ 61,795	\$ -	\$ 10,420	\$ 10,000

MADISON-GRANT UNITED 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)

	Robert Huff Scholarship	Janice Phipps Scholarship	Rollins-Paul Scholarship	Family and Consumer Science Scholarship	Hazel Baker Foundation	Wellness Grant - USDA	Wellness Grant - North Central Ins	Health Consortium Surplus Grant	Indiana Next Grant	High Ability Grant 08-09
Cash and investments - beginning	\$ 2,839	\$ 1,302	\$ 3,256	\$ 1,688	\$ 21	\$ 130	\$ 5,605	\$ -	\$ 1,543	\$ 13,526
Receipts:										
Local sources	37	15	36	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	1,339	-	36,914	-	12,374	37,500	-	-
Total receipts	37	15	1,375	-	36,914	-	12,374	37,500	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	3,031	-	-	6,004
Support services	-	-	-	-	-	-	7,785	-	-	7,522
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	1,683	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	250	250	1,000	-	36,914	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	250	250	1,000	-	36,914	-	12,499	-	-	13,526
Excess (deficiency) of receipts over disbursements	(213)	(235)	375	-	-	-	(125)	37,500	-	(13,526)
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	(213)	(235)	375	-	-	-	(125)	37,500	-	(13,526)
Cash and investments - ending	\$ 2,626	\$ 1,067	\$ 3,631	\$ 1,688	\$ 21	\$ 130	\$ 5,480	\$ 37,500	\$ 1,543	\$ -

MADISON-GRANT UNITED 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)

	High Ability Grant 09-10	Non-English Speaking Programs P.L. 273-1999	Latch Key	School Lunch Banquet	CAPE Consortium - Parents	Title I - 2008-09	Title I - 2009-10	Title V - FY 2007-08	PL 108 - FY 2008-09
Cash and investments - beginning	\$ -	\$ 1,440	\$ 31,261	\$ 479	\$ 555	\$ 146,193	\$ -	\$ 927	\$ 63,139
Receipts:									
Local sources	-	-	19,056	470	-	470	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	31,580	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	393,594	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	31,580	-	19,056	470	-	470	393,594	-	-
Disbursements:									
Current:									
Instruction	12,989	-	14,630	-	-	58,957	345,059	-	37,079
Support services	7,868	-	8,869	169	-	28,902	53,568	927	26,060
Noninstructional services	-	-	2,106	1,125	-	44	2,834	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	20,857	-	25,605	1,294	-	87,903	401,461	927	63,139
Excess (deficiency) of receipts over disbursements	10,723	-	(6,549)	(824)	-	(87,433)	(7,867)	(927)	(63,139)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	727	-	-	58,760	-	-
Transfers out	-	-	-	-	-	(58,760)	-	-	-
Total other financing sources (uses)	-	-	-	727	-	(58,760)	58,760	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,723	-	(6,549)	(97)	-	(146,193)	50,893	(927)	(63,139)
Cash and investments - ending	\$ 10,723	\$ 1,440	\$ 24,712	\$ 382	\$ 555	\$ -	\$ 50,893	\$ -	\$ -

MADISON-GRANT UNITED 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)

	PL 108 - FY 2009-10	Title II Part A - FY 2008-09	Title II Part A - FY 2009-10	Title II Part D - FY 2008-09	Fiscal Stabilization - Education	Stimulus Title I - Part A	Stimulus Special Education - Part B	Stimulus Special Education Preschool - Part B	Totals
Cash and investments - beginning	\$ -	\$ 16,940	\$ -	\$ 30,518	\$ 779,610	\$ -	\$ -	\$ -	\$ 4,204,766
Receipts:									
Local sources	-	-	-	-	-	-	545	-	4,486,478
Intermediate sources	-	-	-	-	-	-	-	-	750
State sources	-	-	-	-	-	-	-	-	9,011,679
Federal sources	312,082	-	80,436	20,350	304,916	38,193	288,257	12,584	1,821,148
Interfund loans	-	-	-	-	-	-	-	-	203,227
Other	-	-	-	-	-	-	-	-	162,746
Total receipts	312,082	-	80,436	20,350	304,916	38,193	288,802	12,584	15,686,028
Disbursements:									
Current:									
Instruction	135,700	12,399	56,540	10,866	772,089	-	15,953	2,234	5,706,574
Support services	91,131	4,541	18,225	3,312	312,437	-	1,027	-	6,199,213
Noninstructional services	-	-	-	-	-	-	-	-	568,272
Facilities acquisition and construction	-	-	-	-	-	-	171,842	10,350	545,144
Debt services	-	-	-	-	-	-	-	-	1,380,521
Nonprogrammed charges	-	-	-	-	-	-	-	-	453,640
Interfund loans	-	-	-	-	-	-	-	-	203,227
Total disbursements	226,831	16,940	74,765	14,178	1,084,526	-	188,822	12,584	15,056,591
Excess (deficiency) of receipts over disbursements	85,251	(16,940)	5,671	6,172	(779,610)	38,193	99,980	-	629,437
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	190
Transfers in	-	-	-	-	-	-	-	-	59,487
Transfers out	-	-	-	-	-	-	-	-	(59,487)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	190
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	85,251	(16,940)	5,671	6,172	(779,610)	38,193	99,980	-	629,627
Cash and investments - ending	\$ 85,251	\$ -	\$ 5,671	\$ 36,690	\$ -	\$ 38,193	\$ 99,980	\$ -	\$ 4,834,393

MADISON-GRANT UNITED 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	Pension Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,896,300	\$ 224,694	\$ 28,219	\$ 446,774	\$ 341,258	\$ 7,655	\$ 283,100	\$ 94,995	\$ 11,759
Receipts:									
Local sources	70,804	1,360,390	421,989	1,333,292	858,039	195,397	3,073	306,402	74,375
Intermediate sources	552	-	-	-	-	-	-	-	-
State sources	8,923,883	-	-	-	-	-	-	8,111	46,423
Federal sources	-	-	-	-	-	-	-	347,902	-
Interfund loans	1,954	-	-	-	-	-	-	-	-
Other	12,826	-	-	265	55	-	-	572	-
Total receipts	<u>9,010,019</u>	<u>1,360,390</u>	<u>421,989</u>	<u>1,333,557</u>	<u>858,094</u>	<u>195,397</u>	<u>3,073</u>	<u>662,987</u>	<u>120,798</u>
Disbursements:									
Current:									
Instruction	4,808,240	-	-	-	-	-	-	-	-
Support services	3,934,426	-	-	680,669	679,652	80,872	-	36,981	65,983
Noninstructional services	-	-	-	-	-	-	-	586,078	-
Facilities acquisition and construction	120,374	-	-	365,981	-	-	-	-	-
Debt services	-	1,058,000	323,493	-	-	-	-	-	-
Nonprogrammed charges	320,277	-	-	-	-	-	-	-	-
Interfund loans	1,954	-	-	-	-	-	-	-	-
Total disbursements	<u>9,185,271</u>	<u>1,058,000</u>	<u>323,493</u>	<u>1,046,650</u>	<u>679,652</u>	<u>80,872</u>	<u>-</u>	<u>623,059</u>	<u>65,983</u>
Excess (deficiency) of receipts over disbursements	<u>(175,252)</u>	<u>302,390</u>	<u>98,496</u>	<u>286,907</u>	<u>178,442</u>	<u>114,525</u>	<u>3,073</u>	<u>39,928</u>	<u>54,815</u>
Other financing sources (uses):									
Sale of capital assets	542	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	16,011	-	-	-	1,036
Transfers out	-	(1,036)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>542</u>	<u>(1,036)</u>	<u>-</u>	<u>-</u>	<u>16,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,036</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(174,710)</u>	<u>301,354</u>	<u>98,496</u>	<u>286,907</u>	<u>194,453</u>	<u>114,525</u>	<u>3,073</u>	<u>39,928</u>	<u>55,851</u>
Cash and investments - ending	<u>\$ 2,721,590</u>	<u>\$ 526,048</u>	<u>\$ 126,715</u>	<u>\$ 733,681</u>	<u>\$ 535,711</u>	<u>\$ 122,180</u>	<u>\$ 286,173</u>	<u>\$ 134,923</u>	<u>\$ 67,610</u>

MADISON-GRANT UNITED 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)

	Levy Excess	Educational License Plates	Round Robins Award Liberty	Liberty Community Foundation	Park Community Foundation	Summitville Community Foundation	Summitville PSI IOTA XI Award	Summitville Walmart Award	Summitville Fisher Body Donation
Cash and investments - beginning	\$ 5,914	\$ 1,625	\$ 315	\$ 14	\$ -	\$ -	\$ 7	\$ -	\$ 144
Receipts:									
Local sources	10,097	-	-	-	-	-	-	-	-
Intermediate sources	-	750	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	247	707	709	250	1,000	-
Total receipts	10,097	750	-	247	707	709	250	1,000	-
Disbursements:									
Current:									
Instruction	-	-	-	239	608	470	-	-	83
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,200	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,200	-	239	608	470	-	-	83
Excess (deficiency) of receipts over disbursements	10,097	(450)	-	8	99	239	250	1,000	(83)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(16,011)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(16,011)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,914)	(450)	-	8	99	239	250	1,000	(83)
Cash and investments - ending	\$ -	\$ 1,175	\$ 315	\$ 22	\$ 99	\$ 239	\$ 257	\$ 1,000	\$ 61

MADISON-GRANT UNITED 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)

	Summitville Playground Equipment	Junior High Community Foundation	Round Robins Junior High	Boren Foundation Donation	Round Robins High School	Boren Foundation Corporation Grant	Central Indiana Ethanol Donation	Galey Scholarship	Harold M. Dick Scholarship
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,229	\$ -	\$ 61,795	\$ -	\$ 10,420	\$ 10,000
Receipts:									
Local sources	-	-	-	-	-	-	-	298	171
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	1,500	130	1,000	-	500	-	20,000	-	-
Total receipts	1,500	130	1,000	-	500	-	20,000	298	171
Disbursements:									
Current:									
Instruction	-	110	1,000	-	-	-	-	-	-
Support services	-	-	-	-	-	39,602	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	800	171
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	110	1,000	-	-	39,602	-	800	171
Excess (deficiency) of receipts over disbursements	1,500	20	-	-	500	(39,602)	20,000	(502)	-
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	1,500	20	-	-	500	(39,602)	20,000	(502)	-
Cash and investments - ending	\$ 1,500	\$ 20	\$ -	\$ 1,229	\$ 500	\$ 22,193	\$ 20,000	\$ 9,918	\$ 10,000

MADISON-GRANT UNITED 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)

	Robert Huff Scholarship	Janice Phipps Scholarship	Rollins-Paul Scholarship	Family and Consumer Science Scholarship	Hazel Baker Foundation	Wellness Grant - USDA	Wellness Grant - North Central Ins	Health Consortium Surplus Grant	Indiana Next Grant
Cash and investments - beginning	\$ 2,626	\$ 1,067	\$ 3,631	\$ 1,688	\$ 21	\$ 130	\$ 5,480	\$ 37,500	\$ 1,543
Receipts:									
Local sources	28	12	30	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	150	-	52,393	-	12,876	12,500	-
Total receipts	28	12	180	-	52,393	-	12,876	12,500	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	4,871	-	-
Support services	-	-	-	-	3,495	-	4,696	50,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	1,683	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,000	-	48,893	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,000	-	52,388	-	11,250	50,000	-
Excess (deficiency) of receipts over disbursements	28	12	(820)	-	5	-	1,626	(37,500)	-
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	28	12	(820)	-	5	-	1,626	(37,500)	-
Cash and investments - ending	\$ 2,654	\$ 1,079	\$ 2,811	\$ 1,688	\$ 26	\$ 130	\$ 7,106	\$ -	\$ 1,543

MADISON-GRANT UNITED 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)

	High Ability Grant 09-10	High Ability Grant 10-11	Non-English Speaking Programs P.L. 273-1999	School Technology Connectivity	Latch Key	School Lunch Banquet	CAPE Consortium - Parents	Title I - 2009-10	Title I - 2010-11
Cash and investments - beginning	\$ 10,723	\$ -	\$ 1,440	\$ -	\$ 24,712	\$ 382	\$ 555	\$ 50,893	\$ -
Receipts:									
Local sources	-	-	-	-	16,420	1,243	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	31,107	-	5,261	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	369,519
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	31,107	-	5,261	16,420	1,243	-	-	369,519
Disbursements:									
Current:									
Instruction	10,423	13,784	-	-	11,558	-	493	24,311	312,943
Support services	300	8,696	-	3,216	1,465	153	-	3,647	48,332
Noninstructional services	-	-	-	-	1,337	1,103	-	-	2,216
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	10,723	22,480	-	3,216	14,360	1,256	493	27,958	363,491
Excess (deficiency) of receipts over disbursements	(10,723)	8,627	-	2,045	2,060	(13)	(493)	(27,958)	6,028
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	22,935
Transfers out	-	-	-	-	-	-	-	(22,935)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(22,935)	22,935
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,723)	8,627	-	2,045	2,060	(13)	(493)	(50,893)	28,963
Cash and investments - ending	\$ -	\$ 8,627	\$ 1,440	\$ 2,045	\$ 26,772	\$ 369	\$ 62	\$ -	\$ 28,963

MADISON-GRANT UNITED 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)

	PL 108 - FY 2009-10	PL 108 - FY 2010-11	Title II Part A - FY 2009-10	Title II Part A - FY 2010-11	Title II Part D - FY 2008-09	Rural Schools and Low Income Program	Stimulus Title I - Part A 2009	Stimulus Special Education - Part B	Totals
Cash and investments - beginning	\$ 85,251	\$ -	\$ 5,671	\$ -	\$ 36,690	\$ -	\$ 38,193	\$ 99,980	\$ 4,834,393
Receipts:									
Local sources	-	-	-	-	-	-	-	634	4,652,694
Intermediate sources	-	-	-	-	-	-	-	-	1,302
State sources	-	-	-	-	-	-	-	-	9,014,785
Federal sources	-	330,464	-	77,889	-	-	37,200	-	1,162,974
Interfund loans	-	1,954	-	-	-	-	-	-	3,908
Other	-	-	-	-	-	-	-	-	117,680
Total receipts	-	332,418	-	77,889	-	-	37,200	634	14,953,343
Disbursements:									
Current:									
Instruction	56,615	160,554	3,631	55,145	6,746	-	56,753	4,908	5,533,485
Support services	28,636	91,727	2,040	19,233	28,876	-	-	1,011	5,813,708
Noninstructional services	-	-	-	-	-	-	-	-	590,734
Facilities acquisition and construction	-	-	-	-	-	16,675	-	118,074	622,787
Debt services	-	-	-	-	-	-	-	-	1,381,493
Nonprogrammed charges	-	-	-	-	-	-	-	-	372,341
Interfund loans	-	1,954	-	-	-	-	-	-	3,908
Total disbursements	85,251	254,235	5,671	74,378	35,622	16,675	56,753	123,993	14,318,456
Excess (deficiency) of receipts over disbursements	(85,251)	78,183	(5,671)	3,511	(35,622)	(16,675)	(19,553)	(123,359)	634,887
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	542
Transfers in	-	-	-	-	-	-	-	-	39,982
Transfers out	-	-	-	-	-	-	-	-	(39,982)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	542
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,251)	78,183	(5,671)	3,511	(35,622)	(16,675)	(19,553)	(123,359)	635,429
Cash and investments - ending	\$ -	\$ 78,183	\$ -	\$ 3,511	\$ 1,068	\$ (16,675)	\$ 18,640	\$ (23,379)	\$ 5,469,822

MADISON-GRANT UNITED 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>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 19,200
Buildings	16,266,810
Improvements other than buildings	3,547,896
Machinery and equipment	<u>4,219,037</u>
Total capital assets not being depreciated	<u>\$ 24,052,943</u>

MADISON-GRANT UNITED SCHOOL CORPORATION
 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:			
Multi-School Building Corporation 1997	\$ 1,520,000	\$ 658,000	Debt Service
School Building Corporation 2003	2,520,000	400,000	Debt Service
Bond payable:			
General obligation bond:			
Pension Bond 2006	<u>2,480,000</u>	<u>160,653</u>	Pension Bond Debt Service
Total debt	<u>\$ 6,520,000</u>	<u>\$ 1,218,653</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

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

TO: THE OFFICIALS OF THE MADISON-GRANT UNITED SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

Compliance

We have audited the compliance of the Madison-Grant United 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 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, 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

December 19, 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.

MADISON-GRANT UNITED 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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553			
		FY 09-10	\$ 54,154	\$ -
		FY 10-11	-	61,547
Total for program			<u>54,154</u>	<u>61,547</u>
National School Lunch Program	10.555			
		FY 09-10	325,161	-
		FY 10-11	-	348,544
Total for program			<u>325,161</u>	<u>348,544</u>
Total for federal grantor agency			<u>379,315</u>	<u>410,091</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			
		09-2825	87,433	-
		10-2825	401,460	27,958
		11-2825	-	363,492
Total for program			<u>488,893</u>	<u>391,450</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		09-2825	-	56,753
Total for cluster			<u>488,893</u>	<u>448,203</u>
Pass-Through Mississinewa Community School Corporation Special Education Cluster Special Education - Grants to States	84.027			
		14209-021-PN01	63,139	-
		14210-021-PN01	226,833	85,251
		14211-021-PN01	-	252,280
Total for program			<u>289,972</u>	<u>337,531</u>

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

MADISON-GRANT UNITED SCHOOL CORPORATION
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>				
Pass-Through Mississinewa Community School Corporation (continued)				
Special Education Cluster (continued)				
ARRA - Special Education Grants to States, Recovery Act	84.391	33310-021-SN01	<u>188,824</u>	<u>100,614</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-021-SN01	<u>12,584</u>	<u>-</u>
Total for cluster			<u>491,380</u>	<u>438,145</u>
Pass-Through Indiana Department of Education				
Educational Technology State Grants Cluster				
Educational Technology State Grants	84.318	S318X070014	<u>14,178</u>	<u>11,291</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 09-10	<u>1,084,526</u>	<u>-</u>
State Grants for Innovative Programs	84.298	07-2825	<u>927</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367	08-2825	16,940	-
		09-2825	74,763	5,671
		10-2825	<u>-</u>	<u>74,378</u>
Total for program			<u>91,703</u>	<u>80,049</u>
Total for federal grantor agency			<u>2,171,607</u>	<u>977,688</u>
Total federal awards expended			<u>\$ 2,550,922</u>	<u>\$ 1,387,779</u>

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

MADISON-GRANT UNITED 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 Madison-Grant United 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	For The Year Ended June 30, 2010	For The Year Ended June 30, 2011
Child Nutrition Cluster:			
Food Commodities:			
National School Lunch Program	10.555	\$ 40,653	\$ 62,189

MADISON-GRANT UNITED 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 deficiencies 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
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MADISON-GRANT UNITED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MADISON-GRANT UNITED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2011, with Rebecca S. Monroe, Treasurer; John D. Trout, Superintendent of Schools; and Carl L. Chambers, President of the School Board. Our audit disclosed no material items that warrant comment at this time.