

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WESTERN WAYNE SCHOOLS
WAYNE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

02/02/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joyce Runyon	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Robert Mahon	07-01-09 to 06-30-12
President of the School Board	Robert Kent Fortman	07-01-09 to 06-30-12



STATE OF INDIANA
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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 WESTERN WAYNE SCHOOLS, WAYNE COUNTY, INDIANA

We have audited the accompanying financial statement of the Western Wayne Schools (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 the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 cash and investment receipts, disbursements and balances 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 12, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

This report is intended solely for the information and use of the School Corporation's management, the 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 12, 2011



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302 WEST WASHINGTON STREET
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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 WESTERN WAYNE SCHOOLS, WAYNE COUNTY, INDIANA

We have audited the financial statement of the Western Wayne Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 12, 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, the 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 12, 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.

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WESTERN WAYNE SCHOOLS
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	\$ 468,202	\$ 7,391,460	\$ 7,071,346	\$ 135,913	\$ 924,229	\$ 7,447,200	\$ 6,557,330	\$ (496,726)	\$ 1,317,373
Debt Service	159,983	1,240,823	946,275	(286)	454,245	823,918	763,415	(795)	513,953
Retirement/Severance Bond Debt Service	15	131,452	67,487	(32,000)	31,980	65,776	65,718	-	32,038
Capital Projects	99,954	1,067,198	774,453	(100,000)	292,699	678,226	846,783	-	124,142
School Transportation	18,583	539,148	389,103	-	168,628	354,756	351,261	-	172,123
School Bus Replacement	50,880	283,510	283,060	-	51,330	243,185	30	-	294,485
Special Education Preschool	2,625	16,392	18,022	(995)	-	-	-	-	-
Rainy Day	1,000,000	-	-	-	1,000,000	-	-	500,000	1,500,000
Retirement/Severance Bond	198,874	2,357	18,922	-	182,309	1,709	6,566	-	177,452
Construction	-	-	-	-	-	426	150,291	618,750	468,885
School Lunch	58,264	494,344	468,264	-	84,344	494,979	483,415	100	96,008
Textbook Rental	33,136	88,895	98,738	286	23,579	92,541	47,715	904	69,309
Educational License Plates	2,413	112	-	-	2,525	150	-	-	2,675
Cape III Project	248	-	233	-	15	9,889	8,397	-	1,507
Transportation Trips ECA	(2,527)	15,773	14,156	-	(910)	16,359	16,076	-	(627)
Scholarships and Awards	456	4,662	4,561	-	557	9,040	6,507	-	3,090
Ball Brothers Grant	-	14,000	14,000	-	-	-	-	-	-
Wellness	4,318	7,400	7,637	-	4,081	7,201	9,575	-	1,707
LMS Read-A-Thon	-	423	422	-	1	1,588	435	-	1,154
GRCSCIC 2010-11 Insurance Grant	-	41,333	8,911	-	32,422	-	32,422	-	-
High Ability Grant 2008-09	16,956	-	16,956	-	-	-	-	-	-
High Ability Grant 2009-10	-	30,158	20,811	-	9,347	-	9,347	-	-
High Ability Grant 2010-11	-	-	-	-	-	29,704	27,631	-	2,073
Medicaid Reimbursement	30,442	16,513	4,458	(2,440)	40,057	170	934	(2,518)	36,775
School Technology	-	-	-	-	-	3,783	2,837	-	946
E-Rate	-	3,150	3,150	-	-	-	-	-	-
Excess PTRC Distributions	-	-	-	-	-	11,162	-	-	11,162
Title I	13,526	166,025	182,514	(1)	(2,964)	14,751	3,047	(8,740)	-
4112 Title I 2010-11	-	-	-	-	-	177,910	185,014	8,740	1,636
Title V Part A Innovative Programs	765	-	765	-	-	-	-	-	-
Drug Free Schools	4,528	-	-	(4,528)	-	-	-	-	-
Drug Free Title IV Part A	-	-	4,529	4,529	-	-	-	-	-
Drug Free Schools 2008-09	-	3,079	17,232	15,000	847	-	847	-	-
Drug Free Schools 2009-10	-	-	-	-	-	-	15,808	15,000	(808)
National School Lunch Equipment	-	-	-	-	-	19,097	19,097	-	-
FY 2007 Improving Teacher Quality	14,876	54,190	39,597	(15,000)	14,469	-	14,469	-	-
2009-10 Improving Teacher Quality	-	50,429	-	-	50,429	2,500	27,328	(15,000)	10,601
Fiscal Stabilization - Education	626,463	228,981	855,444	-	-	-	-	-	-
Title I - Grants to LEAs - Stimulus	-	87,767	82,027	-	5,740	13,329	19,069	-	-
Qualified School Construction Bond	-	-	-	-	-	20,000	-	-	20,000
Education Jobs	-	-	-	-	-	235,918	235,918	-	-
Totals	\$ 2,802,980	\$ 11,979,574	\$ 11,413,073	\$ 478	\$ 3,369,959	\$ 10,775,267	\$ 9,907,282	\$ 619,715	\$ 4,857,659

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

WESTERN WAYNE SCHOOLS
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).

Joint Venture

The School Corporation is a participant with Fayette County School Corporation, Rush County School Corporation, Franklin County School Corporation, Union County School Corporation, and Centerville-Abington School Corporation in a joint venture to operate Connersville Area Vocational School which was created to provide vocational education. The Connersville Area Vocational School's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Connersville Area Vocational School can be obtained from Fayette County School Corporation's Administrative Office at 1401 Spartan Drive, Connersville, IN 47331.

The School Corporation is a participant with Union County School Corporation, Franklin County School Corporation, and Northeastern Wayne School Corporation in a joint venture to operate East Central Special Services District which was created to engage in employment and purchases for the special education cooperative. The East Central Services District's continued existence depends on continued funding by the participants. The School Corporation is obligated for a share of the debts of the East Central Special Services District. Complete financial statements for the East Central Special Services District can be obtained from Union County School Corporation at 107 Layman Street, Liberty, IN 47353.

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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 receipts 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.

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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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:

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

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

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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.

WESTERN WAYNE SCHOOLS
 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 468,202	\$ 159,983	\$ 15	\$ 99,954	\$ 18,583	\$ 50,880	\$ 2,625	\$ 1,000,000	\$ 198,874
Receipts:									
Local sources	101,971	1,240,823	131,452	1,067,198	539,148	283,510	(108)	-	2,357
Intermediate sources	344	-	-	-	-	-	-	-	-
State sources	7,288,755	-	-	-	-	-	16,500	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	390	-	-	-	-	-	-	-	-
Total receipts	<u>7,391,460</u>	<u>1,240,823</u>	<u>131,452</u>	<u>1,067,198</u>	<u>539,148</u>	<u>283,510</u>	<u>16,392</u>	<u>-</u>	<u>2,357</u>
Disbursements:									
Current:									
Instruction	4,279,272	-	-	-	-	-	-	-	-
Support services	2,377,877	-	-	399,963	327,014	283,060	-	-	18,922
Noninstructional services	223,611	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	152,388	-	-	-	-	-
Debt services	-	946,275	67,487	222,102	62,089	-	-	-	-
Nonprogrammed charges	190,586	-	-	-	-	-	18,022	-	-
Total disbursements	<u>7,071,346</u>	<u>946,275</u>	<u>67,487</u>	<u>774,453</u>	<u>389,103</u>	<u>283,060</u>	<u>18,022</u>	<u>-</u>	<u>18,922</u>
Excess (deficiency) of receipts over disbursements	<u>320,114</u>	<u>294,548</u>	<u>63,965</u>	<u>292,745</u>	<u>150,045</u>	<u>450</u>	<u>(1,630)</u>	<u>-</u>	<u>(16,565)</u>
Other financing sources (uses):									
Sale of capital assets	478	-	-	-	-	-	-	-	-
Transfers in	135,435	-	-	-	-	-	-	-	-
Transfers out	-	(286)	(32,000)	(100,000)	-	-	(995)	-	-
Total other financing sources (uses)	<u>135,913</u>	<u>(286)</u>	<u>(32,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(995)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>456,027</u>	<u>294,262</u>	<u>31,965</u>	<u>192,745</u>	<u>150,045</u>	<u>450</u>	<u>(2,625)</u>	<u>-</u>	<u>(16,565)</u>
Cash and investments - ending	<u>\$ 924,229</u>	<u>\$ 454,245</u>	<u>\$ 31,980</u>	<u>\$ 292,699</u>	<u>\$ 168,628</u>	<u>\$ 51,330</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 182,309</u>

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

	School Lunch	Textbook Rental	Educational License Plates	Cape III Project	Transportation Trips ECA	Scholarships and Awards	Ball Brothers Grant	Wellness
Cash and investments - beginning	\$ 58,264	\$ 33,136	\$ 2,413	\$ 248	\$ (2,527)	\$ 456	\$ -	\$ 4,318
Receipts:								
Local sources	182,164	59,164	-	-	15,773	4,662	14,000	7,400
Intermediate sources	-	-	112	-	-	-	-	-
State sources	5,130	29,481	-	-	-	-	-	-
Federal sources	306,750	-	-	-	-	-	-	-
Other	300	250	-	-	-	-	-	-
Total receipts	<u>494,344</u>	<u>88,895</u>	<u>112</u>	<u>-</u>	<u>15,773</u>	<u>4,662</u>	<u>14,000</u>	<u>7,400</u>
Disbursements:								
Current:								
Instruction	-	-	-	233	-	4,561	14,000	-
Support services	300	98,738	-	-	14,156	-	-	7,637
Noninstructional services	467,964	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>468,264</u>	<u>98,738</u>	<u>-</u>	<u>233</u>	<u>14,156</u>	<u>4,561</u>	<u>14,000</u>	<u>7,637</u>
Excess (deficiency) of receipts over disbursements	<u>26,080</u>	<u>(9,843)</u>	<u>112</u>	<u>(233)</u>	<u>1,617</u>	<u>101</u>	<u>-</u>	<u>(237)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	286	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>286</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>26,080</u>	<u>(9,557)</u>	<u>112</u>	<u>(233)</u>	<u>1,617</u>	<u>101</u>	<u>-</u>	<u>(237)</u>
Cash and investments - ending	<u>\$ 84,344</u>	<u>\$ 23,579</u>	<u>\$ 2,525</u>	<u>\$ 15</u>	<u>\$ (910)</u>	<u>\$ 557</u>	<u>\$ -</u>	<u>\$ 4,081</u>

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

	LMS Read-A-Thon	GRCSIC 2010-11 Insurance Grant	High Ability Grant 2008-09	High Ability Grant 2009-10	Medicaid Reimbursement	E-Rate	Title I	Title V Part A Innovative Programs
Cash and investments - beginning	\$ -	\$ -	\$ 16,956	\$ -	\$ 30,442	\$ -	\$ 13,526	\$ 765
Receipts:								
Local sources	423	41,333	-	-	-	3,150	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	30,158	-	-	-	-
Federal sources	-	-	-	-	16,513	-	166,025	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>423</u>	<u>41,333</u>	<u>-</u>	<u>30,158</u>	<u>16,513</u>	<u>3,150</u>	<u>166,025</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	422	6,000	16,956	20,811	3,856	-	175,411	-
Support services	-	2,911	-	-	602	3,150	7,103	765
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>422</u>	<u>8,911</u>	<u>16,956</u>	<u>20,811</u>	<u>4,458</u>	<u>3,150</u>	<u>182,514</u>	<u>765</u>
Excess (deficiency) of receipts over disbursements	<u>1</u>	<u>32,422</u>	<u>(16,956)</u>	<u>9,347</u>	<u>12,055</u>	<u>-</u>	<u>(16,489)</u>	<u>(765)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	23,857	-
Transfers out	-	-	-	-	(2,440)	-	(23,858)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,440)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1</u>	<u>32,422</u>	<u>(16,956)</u>	<u>9,347</u>	<u>9,615</u>	<u>-</u>	<u>(16,490)</u>	<u>(765)</u>
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 32,422</u>	<u>\$ -</u>	<u>\$ 9,347</u>	<u>\$ 40,057</u>	<u>\$ -</u>	<u>\$ (2,964)</u>	<u>\$ -</u>

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

	Drug Free Schools	Drug Free Title IV Part A	Drug Free Schools 2008-09	FY 2007 Improving Teaching Quality	2009-10 Improving Teaching Quality	Fiscal Stabilization - Education	Title I - Grants to LEAs - Stimulus	Totals
Cash and investments - beginning	\$ 4,528	\$ -	\$ -	\$ 14,876	\$ -	\$ 626,463	\$ -	\$ 2,802,980
Receipts:								
Local sources	-	-	-	-	-	-	-	3,694,420
Intermediate sources	-	-	-	-	-	-	-	456
State sources	-	-	-	-	-	-	-	7,370,024
Federal sources	-	-	3,079	54,190	50,429	228,981	87,767	913,734
Other	-	-	-	-	-	-	-	940
Total receipts	-	-	3,079	54,190	50,429	228,981	87,767	11,979,574
Disbursements:								
Current:								
Instruction	-	-	-	-	-	657,836	43,148	5,222,506
Support services	-	4,529	17,232	39,597	-	177,627	38,879	3,820,062
Noninstructional services	-	-	-	-	-	19,981	-	711,556
Facilities acquisition and construction	-	-	-	-	-	-	-	152,388
Debt services	-	-	-	-	-	-	-	1,297,953
Nonprogrammed charges	-	-	-	-	-	-	-	208,608
Total disbursements	-	4,529	17,232	39,597	-	855,444	82,027	11,413,073
Excess (deficiency) of receipts over disbursements	-	(4,529)	(14,153)	14,593	50,429	(626,463)	5,740	566,501
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	478
Transfers in	-	4,529	15,000	-	-	-	-	179,107
Transfers out	(4,528)	-	-	(15,000)	-	-	-	(179,107)
Total other financing sources (uses)	(4,528)	4,529	15,000	(15,000)	-	-	-	478
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,528)	-	847	(407)	50,429	(626,463)	5,740	566,979
Cash and investments - ending	\$ -	\$ -	\$ 847	\$ 14,469	\$ 50,429	\$ -	\$ 5,740	\$ 3,369,959

WESTERN WAYNE SCHOOLS
 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 924,229	\$ 454,245	\$ 31,980	\$ 292,699	\$ 168,628	\$ 51,330	\$ 1,000,000	\$ 182,309	\$ -
Receipts:									
Local sources	102,436	793,526	65,776	678,226	354,756	243,185	-	1,709	426
Intermediate sources	6,328	-	-	-	-	-	-	-	-
State sources	7,338,336	30,392	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	100	-	-	-	-	-	-	-	-
Total receipts	<u>7,447,200</u>	<u>823,918</u>	<u>65,776</u>	<u>678,226</u>	<u>354,756</u>	<u>243,185</u>	<u>-</u>	<u>1,709</u>	<u>426</u>
Disbursements:									
Current:									
Instruction	4,085,993	-	-	-	-	-	-	-	-
Support services	1,886,904	-	-	749,740	351,261	30	-	6,566	-
Noninstructional services	212,723	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	97,043	-	-	-	-	150,291
Debt services	-	763,415	65,718	-	-	-	-	-	-
Nonprogrammed charges	371,710	-	-	-	-	-	-	-	-
Total disbursements	<u>6,557,330</u>	<u>763,415</u>	<u>65,718</u>	<u>846,783</u>	<u>351,261</u>	<u>30</u>	<u>-</u>	<u>6,566</u>	<u>150,291</u>
Excess (deficiency) of receipts over disbursements	<u>889,870</u>	<u>60,503</u>	<u>58</u>	<u>(168,557)</u>	<u>3,495</u>	<u>243,155</u>	<u>-</u>	<u>(4,857)</u>	<u>(149,865)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	618,750
Sale of capital assets	756	-	-	-	-	-	-	-	-
Transfers in	2,518	-	-	-	-	-	500,000	-	-
Transfers out	(500,000)	(795)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(496,726)</u>	<u>(795)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>618,750</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>393,144</u>	<u>59,708</u>	<u>58</u>	<u>(168,557)</u>	<u>3,495</u>	<u>243,155</u>	<u>500,000</u>	<u>(4,857)</u>	<u>468,885</u>
Cash and investments - ending	<u>\$ 1,317,373</u>	<u>\$ 513,953</u>	<u>\$ 32,038</u>	<u>\$ 124,142</u>	<u>\$ 172,123</u>	<u>\$ 294,485</u>	<u>\$ 1,500,000</u>	<u>\$ 177,452</u>	<u>\$ 468,885</u>

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

	School Lunch	Textbook Rental	Educational License Plates	Cape III Project	Transportation Trips ECA	Scholarships and Awards	Wellness	LMS Read-A-Thon	GRCSIC 2010-11 Insurance Grant
Cash and investments - beginning	\$ 84,344	\$ 23,579	\$ 2,525	\$ 15	\$ (910)	\$ 557	\$ 4,081	\$ 1	\$ 32,422
Receipts:									
Local sources	174,213	64,207	-	9,889	16,359	9,040	7,201	1,588	-
Intermediate sources	-	-	150	-	-	-	-	-	-
State sources	4,271	28,334	-	-	-	-	-	-	-
Federal sources	306,322	-	-	-	-	-	-	-	-
Other	10,173	-	-	-	-	-	-	-	-
Total receipts	<u>494,979</u>	<u>92,541</u>	<u>150</u>	<u>9,889</u>	<u>16,359</u>	<u>9,040</u>	<u>7,201</u>	<u>1,588</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	8,397	-	5,027	-	435	-
Support services	323	47,715	-	-	16,076	1,480	9,575	-	32,422
Noninstructional services	483,092	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>483,415</u>	<u>47,715</u>	<u>-</u>	<u>8,397</u>	<u>16,076</u>	<u>6,507</u>	<u>9,575</u>	<u>435</u>	<u>32,422</u>
Excess (deficiency) of receipts over disbursements	<u>11,564</u>	<u>44,826</u>	<u>150</u>	<u>1,492</u>	<u>283</u>	<u>2,533</u>	<u>(2,374)</u>	<u>1,153</u>	<u>(32,422)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	100	109	-	-	-	-	-	-	-
Transfers in	-	795	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>100</u>	<u>904</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>11,664</u>	<u>45,730</u>	<u>150</u>	<u>1,492</u>	<u>283</u>	<u>2,533</u>	<u>(2,374)</u>	<u>1,153</u>	<u>(32,422)</u>
	<u>\$ 96,008</u>	<u>\$ 69,309</u>	<u>\$ 2,675</u>	<u>\$ 1,507</u>	<u>\$ (627)</u>	<u>\$ 3,090</u>	<u>\$ 1,707</u>	<u>\$ 1,154</u>	<u>\$ -</u>

WESTERN WAYNE SCHOOLS
 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 2009-10	High Ability Grant 2010-11	Medicaid Reimbursement	School Technology	Excess PTRC Distributions	Title I	4112 Title I 2010-11	Drug Free Schools 2008-09	Drug Free Schools 2009-10
Cash and investments - beginning	\$ 9,347	\$ -	\$ 40,057	\$ -	\$ -	\$ (2,964)	\$ -	\$ 847	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	29,704	-	3,783	11,162	-	-	-	-
Federal sources	-	-	170	-	-	14,751	177,910	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	29,704	170	3,783	11,162	14,751	177,910	-	-
Disbursements:									
Current:									
Instruction	9,347	27,631	217	-	-	2,272	181,814	-	-
Support services	-	-	717	2,837	-	775	3,200	847	15,808
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	9,347	27,631	934	2,837	-	3,047	185,014	847	15,808
Excess (deficiency) of receipts over disbursements	(9,347)	2,073	(764)	946	11,162	11,704	(7,104)	(847)	(15,808)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	8,740	-	15,000
Transfers out	-	-	(2,518)	-	-	(8,740)	-	-	-
Total other financing sources (uses)	-	-	(2,518)	-	-	(8,740)	8,740	-	15,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,347)	2,073	(3,282)	946	11,162	2,964	1,636	(847)	(808)
	\$ -	\$ 2,073	\$ 36,775	\$ 946	\$ 11,162	\$ -	\$ 1,636	\$ -	\$ (808)

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

	National School Lunch Equipment	FY 2007 Improving Teaching Quality	2009-10 Improving Teaching Quality	Fiscal Stabilization - Education	Title I - Grants to LEAs - Stimulus	Qualified School Construction Bond	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ 14,469	\$ 50,429	\$ -	\$ 5,740	\$ -	\$ -	\$ 3,369,959
Receipts:								
Local sources	-	-	-	-	-	-	-	2,522,537
Intermediate sources	-	-	-	-	-	-	-	6,478
State sources	-	-	-	-	-	-	-	7,445,982
Federal sources	19,097	-	2,500	-	13,329	20,000	235,918	789,997
Other	-	-	-	-	-	-	-	10,273
Total receipts	19,097	-	2,500	-	13,329	20,000	235,918	10,775,267
Disbursements:								
Current:								
Instruction	-	-	-	-	8,840	-	235,918	4,565,891
Support services	-	14,469	27,328	-	10,229	-	-	3,178,302
Noninstructional services	19,097	-	-	-	-	-	-	714,912
Facilities acquisition and construction	-	-	-	-	-	-	-	247,334
Debt services	-	-	-	-	-	-	-	829,133
Nonprogrammed charges	-	-	-	-	-	-	-	371,710
Total disbursements	19,097	14,469	27,328	-	19,069	-	235,918	9,907,282
Excess (deficiency) of receipts over disbursements	-	(14,469)	(24,828)	-	(5,740)	20,000	-	867,985
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	618,750
Sale of capital assets	-	-	-	-	-	-	-	965
Transfers in	-	-	-	-	-	-	-	527,053
Transfers out	-	-	(15,000)	-	-	-	-	(527,053)
Total other financing sources (uses)	-	-	(15,000)	-	-	-	-	619,715
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(14,469)	(39,828)	-	(5,740)	20,000	-	1,487,700
	\$ -	\$ -	\$ 10,601	\$ -	\$ -	\$ 20,000	\$ -	\$ 4,857,659

WESTERN WAYNE SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 373,062
Buildings	16,500,542
Improvements other than buildings	1,460,373
Machinery and equipment	<u>2,976,136</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 21,310,113</u>

WESTERN WAYNE SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
Lincoln Middle School & High School	\$ 1,928,454	\$ 95,000
Notes and loans payable	3,372,799	661,827
Bonds payable:		
General obligation bonds:		
Lincoln Middle School & High School	625,000	77,423
Retirement/Pension	<u>465,000</u>	<u>68,878</u>
Total debt	<u>\$ 6,391,253</u>	<u>\$ 903,128</u>

WESTERN WAYNE SCHOOLS
AUDIT RESULT AND COMMENT

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2011.

The enrollment count date for 2010-2011 was September 17, 2010. The difference between the count reported on the ADM and the verified figures are shown below:

<u>School Year</u>	<u>Grade</u>	<u>Count as Reported on Form Number 30A</u>	<u>Actual Enrollment Figures</u>	<u>Difference</u>
2010-2011	Kindergarten	27.5	27.5	0
2010-2011	1 through 12	1043	1042	1

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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 WESTERN WAYNE SCHOOLS, WAYNE COUNTY, INDIANA

Compliance

We have audited the compliance of the Western Wayne Schools (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, the 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 12, 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.

WESTERN WAYNE SCHOOLS
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	8355	\$ 75,825	\$ 76,920
National School Lunch Program	10.555	8355	266,606	263,504
Total for cluster			<u>342,431</u>	<u>340,424</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	10-8355	-	19,097
Total for federal grantor agency			<u>342,431</u>	<u>359,521</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	09-8355 10-8355 11-8355	28,726 177,647 -	- 11,787 185,014
Total for program			<u>206,373</u>	<u>196,801</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-8355	82,026	19,068
Total for cluster			<u>288,399</u>	<u>215,869</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	8355	855,439	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	07-8355 08-8355 09-8355	4,528 17,233 -	- 847 15,808
Total for program			<u>21,761</u>	<u>16,655</u>
State Grants for Innovative Programs	84.298	8355	765	-
Improving Teacher Quality State Grants	84.367			
School Year 2007-08		8355	14,876	-
School Year 2008-09		8355	39,721	14,469
School Year 2009-10		8355	-	42,328
Total for program			<u>54,597</u>	<u>56,797</u>
ARRA - Education Jobs Fund, Recovery Act Year 2010-2011	84.410	8355	-	235,918
Total for federal grantor agency			<u>1,220,961</u>	<u>525,239</u>
Total federal awards expended			<u>\$ 1,563,392</u>	<u>\$ 884,760</u>

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

WESTERN WAYNE SCHOOLS
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 Western Wayne Schools (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	Year Ended June 30, 2010	Year Ended June 30, 2011
Child Nutrition Cluster:			
Food Commodities			
School Breakfast Program	10.553	\$ 7,901	\$ 7,706
National School Lunch Program	10.555	27,780	26,397
Total for Cluster		<u>\$ 35,681</u>	<u>\$ 34,103</u>

WESTERN WAYNE SCHOOLS
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 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Title I, Part A Cluster State Fiscal Stabilization Fund Cluster Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

WESTERN WAYNE SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

WESTERN WAYNE SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 12, 2011, with Dr. Robert Mahon, Superintendent of Schools; Joyce Runyon, Treasurer; and Robert Kent Fortman, President of the School Board. The officials concurred with our audit finding.