

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
WABASH COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

03/07/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Brian K. Dawson	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Sandra S. Weaver	07-01-09 to 06-30-12
President of the School Board	Paul Karst Kevin Bowman	07-01-09 to 06-30-10 07-01-10 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 METROPOLITAN SCHOOL DISTRICT  
OF WABASH COUNTY, WABASH COUNTY, INDIANA

We have audited the accompanying financial statement of the Metropolitan School District of Wabash County (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

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

In accordance with Government Auditing Standards, we have also issued a report dated February 7, 2012, 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 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 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

February 7, 2012



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF WABASH COUNTY, WABASH COUNTY, INDIANA

We have audited the financial statement of the Metropolitan School District of Wabash County (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 7, 2012. 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

February 7, 2012

## FINANCIAL STATEMENT

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

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

	Cash and Investments 07-01-09	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	\$ 92,558	\$ 15,189,994	\$ 14,461,580	\$ (11,419)	\$ 809,553	\$ 15,111,845	\$ 15,416,511	\$ (40,255)	\$ 464,632
Debt Service	220,987	1,345,156	909,129	-	657,014	934,532	921,322	12,703	682,927
Retirement/Severance Bond Debt Service	150,124	632,599	503,010	-	279,713	376,178	339,517	-	316,374
Capital Projects	184,964	4,092,403	3,505,188	3,643	775,822	2,937,402	2,937,064	31,601	807,761
Transportation Operating	287,857	1,938,733	1,566,490	3,395	663,495	1,195,889	1,493,177	19,073	385,280
Transportation School Bus Replacement	423,881	318,042	22,146	-	719,777	358,936	611,278	39,496	506,931
Special Education Preschool	73,858	24,750	29,517	(69,091)	-	-	-	-	-
Retirement/Severance	403,662	-	-	-	403,662	-	-	-	403,662
Construction	-	-	-	-	-	-	-	2,000,000	2,000,000
School Lunch	281,212	931,924	823,928	-	389,208	947,582	813,928	-	522,862
Textbook Rental	156,794	382,236	257,155	-	281,875	313,491	167,903	-	427,463
Self-Insurance	1,753,400	2,491,259	2,525,564	-	1,719,095	2,190,483	2,787,424	-	1,122,154
Levy Excess	-	-	-	-	-	29,684	-	(29,684)	-
Special Education Joint Services and Supply	618,969	2,057,978	1,726,020	60,790	1,011,717	1,662,156	1,829,243	30,395	875,025
Child Development	(986,299)	571,632	814,790	15,494	(1,213,963)	1,030,438	724,569	7,747	(900,347)
WMAP Preschool	59,340	368,996	284,772	1,098	144,662	334,458	274,013	549	205,656
Safe School Haven 08/09	406	-	406	-	-	-	-	-	-
Scholarships and Awards	50	200	250	-	-	-	-	-	-
Awards/Students and Employees	2,908	82	6,983	3,800	(193)	741	4,348	3,800	-
Awards/Employees	(132)	2,215	2,058	-	25	3,279	3,304	-	-
Ford Meter Box Grant	-	12,000	8,200	(3,800)	-	12,000	8,200	(3,800)	-
Wells Fargo Grant	8,742	11,000	13,680	6,820	12,882	9,651	12,647	7,281	17,167
WMAP Miscellaneous Donations	-	6,954	4,976	-	1,978	-	1,468	-	510
Miscellaneous Donations	(855)	3,145	-	-	2,290	20,000	1,647	-	20,643
High Ability Grant 09/10	-	35,816	29,869	-	5,947	-	5,947	-	-
High Ability Grant 08/09	13,530	-	13,530	-	-	-	-	-	-
High Ability Grant 10/11	-	-	-	-	-	35,277	30,320	-	4,957
Non-English Speaking 08/09	1,499	1,993	27	-	3,465	-	3,465	-	-
Non-English Speaking 10/11	-	-	-	-	-	1,374	412	-	962
E-Rate Reimbursement	22,900	76,082	53,465	808	46,325	42,961	49,147	-	40,139
Technology Plan Grant	3,212	-	3,212	-	-	-	-	-	-
Schools Taking Action	1,120	-	1,120	-	-	-	-	-	-

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

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

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	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
Classroom Innovation	-	-	-	-	-	154,145	-	-	154,145
Excess PTRC Distributions	-	35,139	-	-	35,139	-	-	(35,139)	-
Title I MSD 09/10	-	187,265	166,406	-	20,859	20,000	40,859	-	-
Title I MSD 10/11	-	-	-	-	-	174,941	185,326	-	(10,385)
Title I White's 08/09	12,306	30,000	42,306	-	-	-	-	-	-
Title I White's 09/10	-	209,819	218,872	-	(9,053)	27,000	19,608	-	(1,661)
Title I White's 10/11	-	-	-	-	-	171,808	171,808	-	-
Title V Part A 07/08	11,787	1,427	13,214	-	-	-	-	-	-
14210-058-PN01 09/10	-	1,700,000	1,433,617	-	266,383	214,201	476,948	-	3,636
14209-058-PY02 09/10	-	-	208,624	266,499	57,875	-	57,875	-	-
14211-058-PN01 10/11	-	-	-	-	-	1,345,310	1,402,627	-	(57,317)
14209-058-PN01 08/09	423,891	-	157,392	(266,499)	-	-	-	-	-
14208-058-PY02 08/09	62,930	-	62,930	-	-	-	-	-	-
45709-058-PN01 08/09	4,495	6,116	10,611	-	-	-	-	-	-
45710-058-PN01 09/10	-	67,692	54,571	-	13,121	6,150	19,271	-	-
45711-058-PN01 10/11	-	-	-	-	-	46,825	51,794	-	(4,969)
Title IV Part A Safe/Drug Free	5,513	-	5,513	-	-	6,699	6,699	-	-
Drug Free Schools 07/08	3,973	-	3,973	-	-	-	-	-	-
Title II Part A 07/08	32,482	-	32,482	-	-	-	-	-	-
Title II Part A 08/09	19,000	44,659	20,275	-	43,384	-	43,384	-	-
Title II Part A FY09	-	-	-	-	-	16,787	23,969	-	(7,182)
Title II D Enhancing Education	-	82,269	76,764	-	5,505	-	5,505	-	-
Limited English Grant	45	259	225	-	79	-	79	-	-
Fiscal Stabilization	1,198,892	507,155	1,706,047	-	-	-	-	-	-
Title I MSD Stimulus	-	99,386	103,626	-	(4,240)	28,138	23,898	-	-
IDEA Part B Stimulus	-	907,195	1,170,433	-	(263,238)	629,202	385,521	-	(19,557)
44410-058-SN01 Preschool	-	39,206	35,305	-	3,901	21,263	26,865	-	(1,701)
Title I - Part D Subpart 2	-	99,247	68,635	-	30,612	20,294	56,212	-	(5,306)
Education Jobs	-	-	-	-	-	84,876	119,516	-	(34,640)
<b>Totals</b>	<b>\$ 5,550,001</b>	<b>\$ 34,512,023</b>	<b>\$ 33,158,886</b>	<b>\$ 11,538</b>	<b>\$ 6,914,676</b>	<b>\$ 30,515,996</b>	<b>\$ 31,554,618</b>	<b>\$ 2,043,767</b>	<b>\$ 7,919,821</b>

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

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

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

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

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

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 include 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 include 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.

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
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 include money received in relation to the issuance of bonds or other long-term debt issues.

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

Transfers in which include 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 include 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.

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
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:

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	Transportation Operating	Transportation School Bus Replacement	Special Education Preschool	Retirement/ Severance
Cash and investments - beginning	\$ 92,558	\$ 220,987	\$ 150,124	\$ 184,964	\$ 287,857	\$ 423,881	\$ 73,858	\$ 403,662
Receipts:								
Local sources	1,279,949	1,345,156	559,616	3,113,958	1,597,696	318,042	-	-
Intermediate sources	21,183	-	-	-	-	-	-	-
State sources	13,888,545	-	-	-	-	-	24,750	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	972,637	323,518	-	-	-
Other	317	-	72,983	5,808	17,519	-	-	-
Total receipts	<u>15,189,994</u>	<u>1,345,156</u>	<u>632,599</u>	<u>4,092,403</u>	<u>1,938,733</u>	<u>318,042</u>	<u>24,750</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	8,977,242	-	-	-	-	-	-	-
Support services	3,838,004	-	-	1,119,629	1,124,119	22,146	-	-
Noninstructional services	356,671	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,624,632	-	-	-	-
Debt services	-	909,129	503,010	760,927	442,371	-	-	-
Nonprogrammed charges	1,289,663	-	-	-	-	-	29,517	-
Total disbursements	<u>14,461,580</u>	<u>909,129</u>	<u>503,010</u>	<u>3,505,188</u>	<u>1,566,490</u>	<u>22,146</u>	<u>29,517</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>728,414</u>	<u>436,027</u>	<u>129,589</u>	<u>587,215</u>	<u>372,243</u>	<u>295,896</u>	<u>(4,767)</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	3,643	267	-	-	-
Transfers in	69,091	-	-	-	3,128	-	-	-
Transfers out	(80,510)	-	-	-	-	-	(69,091)	-
Total other financing sources (uses)	<u>(11,419)</u>	<u>-</u>	<u>-</u>	<u>3,643</u>	<u>3,395</u>	<u>-</u>	<u>(69,091)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>716,995</u>	<u>436,027</u>	<u>129,589</u>	<u>590,858</u>	<u>375,638</u>	<u>295,896</u>	<u>(73,858)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 809,553</u>	<u>\$ 657,014</u>	<u>\$ 279,713</u>	<u>\$ 775,822</u>	<u>\$ 663,495</u>	<u>\$ 719,777</u>	<u>\$ -</u>	<u>\$ 403,662</u>

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

	School Lunch	Textbook Rental	Self- Insurance	Special Education Joint Services and Supply	Child Development	WMAP Preschool	Safe School Haven 08/09	Scholarships and Awards
Cash and investments - beginning	\$ 281,212	\$ 156,794	\$ 1,753,400	\$ 618,969	\$ (986,299)	\$ 59,340	\$ 406	\$ 50
Receipts:								
Local sources	541,667	288,446	2,491,259	2,057,905	312,644	368,996	-	200
Intermediate sources	-	-	-	-	258,988	-	-	-
State sources	14,003	39,716	-	-	-	-	-	-
Federal sources	371,736	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	4,518	54,074	-	73	-	-	-	-
Total receipts	<u>931,924</u>	<u>382,236</u>	<u>2,491,259</u>	<u>2,057,978</u>	<u>571,632</u>	<u>368,996</u>	<u>-</u>	<u>200</u>
Disbursements:								
Current:								
Instruction	-	-	-	973,397	349,949	142,310	-	-
Support services	5,203	257,155	1,760	703,250	455,178	138,522	406	-
Noninstructional services	818,725	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	24,071	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,523,804	25,302	9,663	3,940	-	250
Total disbursements	<u>823,928</u>	<u>257,155</u>	<u>2,525,564</u>	<u>1,726,020</u>	<u>814,790</u>	<u>284,772</u>	<u>406</u>	<u>250</u>
Excess (deficiency) of receipts over disbursements	<u>107,996</u>	<u>125,081</u>	<u>(34,305)</u>	<u>331,958</u>	<u>(243,158)</u>	<u>84,224</u>	<u>(406)</u>	<u>(50)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	60,790	15,494	1,098	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,790</u>	<u>15,494</u>	<u>1,098</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>107,996</u>	<u>125,081</u>	<u>(34,305)</u>	<u>392,748</u>	<u>(227,664)</u>	<u>85,322</u>	<u>(406)</u>	<u>(50)</u>
Cash and investments - ending	<u>\$ 389,208</u>	<u>\$ 281,875</u>	<u>\$ 1,719,095</u>	<u>\$ 1,011,717</u>	<u>\$ (1,213,963)</u>	<u>\$ 144,662</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Awards/ Students and Employees	Awards/ Employees	Ford Meter Box Grant	Wells Fargo Grant	WMAP Miscellaneous Donations	Miscellaneous Donations	High Ability Grant 09/10	High Ability Grant 08/09
Cash and investments - beginning	\$ 2,908	\$ (132)	\$ -	\$ 8,742	\$ -	\$ (855)	\$ -	\$ 13,530
Receipts:								
Local sources	-	2,215	12,000	11,000	6,954	3,145	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	35,816	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	82	-	-	-	-	-	-	-
Total receipts	82	2,215	12,000	11,000	6,954	3,145	35,816	-
Disbursements:								
Current:								
Instruction	6,983	-	-	13,680	4,976	-	29,869	13,530
Support services	-	2,058	-	-	-	-	-	-
Noninstructional services	-	-	8,200	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	6,983	2,058	8,200	13,680	4,976	-	29,869	13,530
Excess (deficiency) of receipts over disbursements	(6,901)	157	3,800	(2,680)	1,978	3,145	5,947	(13,530)
Other financing sources (uses):								
Sale of capital assets	-	-	-	6,820	-	-	-	-
Transfers in	3,800	-	-	-	-	-	-	-
Transfers out	-	-	(3,800)	-	-	-	-	-
Total other financing sources (uses)	3,800	-	(3,800)	6,820	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,101)	157	-	4,140	1,978	3,145	5,947	(13,530)
Cash and investments - ending	\$ (193)	\$ 25	\$ -	\$ 12,882	\$ 1,978	\$ 2,290	\$ 5,947	\$ -

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

	Non-English Speaking 08/09	E-Rate Reimbursement	Technology Plan Grant	Schools Taking Action	Excess PTRC Distributions	Title I MSD 08/09	Title I MSD 09/10
Cash and investments - beginning	\$ 1,499	\$ 22,900	\$ 3,212	\$ 1,120	\$ -	\$ (15,636)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	1,993	-	-	-	35,139	-	-
Federal sources	-	-	-	-	-	15,636	187,265
Temporary loans	-	-	-	-	-	-	-
Other	-	76,082	-	-	-	-	-
Total receipts	<u>1,993</u>	<u>76,082</u>	<u>-</u>	<u>-</u>	<u>35,139</u>	<u>15,636</u>	<u>187,265</u>
Disbursements:							
Current:							
Instruction	27	-	-	-	-	-	165,916
Support services	-	53,465	3,212	1,120	-	-	490
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>27</u>	<u>53,465</u>	<u>3,212</u>	<u>1,120</u>	<u>-</u>	<u>-</u>	<u>166,406</u>
Excess (deficiency) of receipts over disbursements	<u>1,966</u>	<u>22,617</u>	<u>(3,212)</u>	<u>(1,120)</u>	<u>35,139</u>	<u>15,636</u>	<u>20,859</u>
Other financing sources (uses):							
Sale of capital assets	-	808	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>808</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>1,966</u>	<u>23,425</u>	<u>(3,212)</u>	<u>(1,120)</u>	<u>35,139</u>	<u>15,636</u>	<u>20,859</u>
Cash and investments - ending	<u>\$ 3,465</u>	<u>\$ 46,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,139</u>	<u>\$ -</u>	<u>\$ 20,859</u>

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

	Title I White's 08/09	Title I White's 09/10	Title V Part A 07/08	14210-058-PN01 09/10	14209-058-PY02 09/10	14209-058-PN01 08/09	14208-058-PY02 08/09
Cash and investments - beginning	\$ 12,306	\$ -	\$ 11,787	\$ -	\$ -	\$ 423,891	\$ 62,930
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	30,000	209,819	1,427	1,700,000	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>30,000</u>	<u>209,819</u>	<u>1,427</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	37,408	176,369	11,778	576,993	119,966	117,623	21,903
Support services	614	42,503	1,436	836,624	88,658	39,769	41,027
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	20,000	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	4,284	-	-	-	-	-	-
Total disbursements	<u>42,306</u>	<u>218,872</u>	<u>13,214</u>	<u>1,433,617</u>	<u>208,624</u>	<u>157,392</u>	<u>62,930</u>
Excess (deficiency) of receipts over disbursements	<u>(12,306)</u>	<u>(9,053)</u>	<u>(11,787)</u>	<u>266,383</u>	<u>(208,624)</u>	<u>(157,392)</u>	<u>(62,930)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	266,499	-	-
Transfers out	-	-	-	-	-	(266,499)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,499</u>	<u>(266,499)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,306)</u>	<u>(9,053)</u>	<u>(11,787)</u>	<u>266,383</u>	<u>57,875</u>	<u>(423,891)</u>	<u>(62,930)</u>
Cash and investments - ending	<u><u>\$ -</u></u>	<u><u>\$ (9,053)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 266,383</u></u>	<u><u>\$ 57,875</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

	45709-058-PN01 08/09	45710-058-PN01 09/10	Title IV Part A Safe/Drug Free	Drug Free Schools 07/08	Title II Part A 07/08	Title II Part A 08/09	Title II D Enhancing Education
Cash and investments - beginning	\$ 4,495	\$ -	\$ 5,513	\$ 3,973	\$ 32,482	\$ 19,000	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	6,116	67,692	-	-	-	44,659	82,269
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>6,116</u>	<u>67,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,659</u>	<u>82,269</u>
Disbursements:							
Current:							
Instruction	10,611	54,571	-	-	17,371	11,752	-
Support services	-	-	5,513	3,973	15,111	8,523	71,536
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	5,228
Total disbursements	<u>10,611</u>	<u>54,571</u>	<u>5,513</u>	<u>3,973</u>	<u>32,482</u>	<u>20,275</u>	<u>76,764</u>
Excess (deficiency) of receipts over disbursements	<u>(4,495)</u>	<u>13,121</u>	<u>(5,513)</u>	<u>(3,973)</u>	<u>(32,482)</u>	<u>24,384</u>	<u>5,505</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,495)</u>	<u>13,121</u>	<u>(5,513)</u>	<u>(3,973)</u>	<u>(32,482)</u>	<u>24,384</u>	<u>5,505</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,384</u>	<u>\$ 5,505</u>

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

	Limited English Grant	Fiscal Stabilization	Title I MSD Stimulus	IDEA Part B Stimulus	44410-058-SN01 Preschool	Title I Part D Subpart 2	Totals
Cash and investments - beginning	\$ 45	\$ 1,198,892	\$ -	\$ -	\$ -	\$ -	\$ 5,534,365
Receipts:							
Local sources	-	-	-	-	-	-	14,310,848
Intermediate sources	-	-	-	-	-	-	280,171
State sources	259	-	-	-	-	-	14,040,221
Federal sources	-	507,155	99,386	907,195	39,206	99,247	4,368,808
Temporary loans	-	-	-	-	-	-	1,296,155
Other	-	-	-	-	-	-	231,456
Total receipts	<u>259</u>	<u>507,155</u>	<u>99,386</u>	<u>907,195</u>	<u>39,206</u>	<u>99,247</u>	<u>34,527,659</u>
Disbursements:							
Current:							
Instruction	225	1,382,242	103,626	498,835	35,305	68,635	13,923,092
Support services	-	295,949	-	420,808	-	-	9,597,761
Noninstructional services	-	27,856	-	-	-	-	1,211,452
Facilities acquisition and construction	-	-	-	20,992	-	-	1,689,695
Debt services	-	-	-	-	-	-	2,615,437
Nonprogrammed charges	-	-	-	229,798	-	-	4,121,449
Total disbursements	<u>225</u>	<u>1,706,047</u>	<u>103,626</u>	<u>1,170,433</u>	<u>35,305</u>	<u>68,635</u>	<u>33,158,886</u>
Excess (deficiency) of receipts over disbursements	<u>34</u>	<u>(1,198,892)</u>	<u>(4,240)</u>	<u>(263,238)</u>	<u>3,901</u>	<u>30,612</u>	<u>1,368,773</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	11,538
Transfers in	-	-	-	-	-	-	419,900
Transfers out	-	-	-	-	-	-	(419,900)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,538</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>34</u>	<u>(1,198,892)</u>	<u>(4,240)</u>	<u>(263,238)</u>	<u>3,901</u>	<u>30,612</u>	<u>1,380,311</u>
Cash and investments - ending	<u>\$ 79</u>	<u>\$ -</u>	<u>\$ (4,240)</u>	<u>\$ (263,238)</u>	<u>\$ 3,901</u>	<u>\$ 30,612</u>	<u>\$ 6,914,676</u>

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	Transportation Operating	Transportation School Bus Replacement	Retirement/ Severance	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 809,553	\$ 657,014	\$ 279,713	\$ 775,822	\$ 663,495	\$ 719,777	\$ 403,662	\$ -	\$ 389,208	\$ 281,875
Receipts:										
Local sources	1,110,785	933,775	303,026	2,181,987	1,179,434	358,936	-	-	502,237	259,470
Intermediate sources	370	-	-	-	-	-	-	-	-	-
State sources	13,991,599	-	-	-	-	-	-	-	12,561	43,642
Federal sources	-	-	-	-	-	-	-	-	430,641	-
Temporary loans	-	-	-	743,399	-	-	-	-	-	-
Other	9,091	757	73,152	12,016	16,455	-	-	-	2,143	10,379
Total receipts	<u>15,111,845</u>	<u>934,532</u>	<u>376,178</u>	<u>2,937,402</u>	<u>1,195,889</u>	<u>358,936</u>	<u>-</u>	<u>-</u>	<u>947,582</u>	<u>313,491</u>
Disbursements:										
Current:										
Instruction	9,851,863	-	-	-	-	-	-	-	-	-
Support services	3,983,525	-	-	896,628	1,169,659	611,278	-	-	4,901	167,903
Noninstructional services	268,678	-	-	-	-	-	-	-	809,027	-
Facilities acquisition and construction	-	-	-	1,306,204	-	-	-	-	-	-
Debt services	-	921,322	339,517	734,232	323,518	-	-	-	-	-
Nonprogrammed charges	1,312,445	-	-	-	-	-	-	-	-	-
Total disbursements	<u>15,416,511</u>	<u>921,322</u>	<u>339,517</u>	<u>2,937,064</u>	<u>1,493,177</u>	<u>611,278</u>	<u>-</u>	<u>-</u>	<u>813,928</u>	<u>167,903</u>
Excess (deficiency) of receipts over disbursements	<u>(304,666)</u>	<u>13,210</u>	<u>36,661</u>	<u>338</u>	<u>(297,288)</u>	<u>(252,342)</u>	<u>-</u>	<u>-</u>	<u>133,654</u>	<u>145,588</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	1,065	1,276	34,145	-	2,000,000	-	-
Transfers in	-	12,703	-	30,536	17,797	5,351	-	-	-	-
Transfers out	(40,255)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(40,255)</u>	<u>12,703</u>	<u>-</u>	<u>31,601</u>	<u>19,073</u>	<u>39,496</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(344,921)</u>	<u>25,913</u>	<u>36,661</u>	<u>31,939</u>	<u>(278,215)</u>	<u>(212,846)</u>	<u>-</u>	<u>2,000,000</u>	<u>133,654</u>	<u>145,588</u>
Cash and investments - ending	<u>\$ 464,632</u>	<u>\$ 682,927</u>	<u>\$ 316,374</u>	<u>\$ 807,761</u>	<u>\$ 385,280</u>	<u>\$ 506,931</u>	<u>\$ 403,662</u>	<u>\$ 2,000,000</u>	<u>\$ 522,862</u>	<u>\$ 427,463</u>

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

	Self- Insurance	Levy Excess	Special Education Joint Services and Supply	Child Development	WMAP Preschool	Awards/ Students and Employees	Awards/ Employees	Ford Meter Box Grant	Wells Fargo Grant	WMAP Miscellaneous Donations
Cash and investments - beginning	\$ 1,719,095	\$ -	\$ 1,011,717	\$ (1,213,963)	\$ 144,662	\$ (193)	\$ 25	\$ -	\$ 12,882	\$ 1,978
Receipts:										
Local sources	2,190,483	29,684	1,662,156	699,114	334,458	-	3,279	12,000	8,621	-
Intermediate sources	-	-	-	331,324	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	741	-	-	1,030	-
Total receipts	<u>2,190,483</u>	<u>29,684</u>	<u>1,662,156</u>	<u>1,030,438</u>	<u>334,458</u>	<u>741</u>	<u>3,279</u>	<u>12,000</u>	<u>9,651</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	-	-	888,775	316,454	143,015	4,348	-	-	12,647	1,468
Support services	2,670	-	875,921	398,618	127,508	-	3,304	-	-	-
Noninstructional services	-	-	-	-	-	-	-	8,200	-	-
Facilities acquisition and construction	-	-	8,869	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,784,754	-	55,678	9,497	3,490	-	-	-	-	-
Total disbursements	<u>2,787,424</u>	<u>-</u>	<u>1,829,243</u>	<u>724,569</u>	<u>274,013</u>	<u>4,348</u>	<u>3,304</u>	<u>8,200</u>	<u>12,647</u>	<u>1,468</u>
Excess (deficiency) of receipts over disbursements	<u>(596,941)</u>	<u>29,684</u>	<u>(167,087)</u>	<u>305,869</u>	<u>60,445</u>	<u>(3,607)</u>	<u>(25)</u>	<u>3,800</u>	<u>(2,996)</u>	<u>(1,468)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	7,281	-
Transfers in	-	-	30,395	7,747	549	3,800	-	-	-	-
Transfers out	-	(29,684)	-	-	-	-	-	(3,800)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(29,684)</u>	<u>30,395</u>	<u>7,747</u>	<u>549</u>	<u>3,800</u>	<u>-</u>	<u>(3,800)</u>	<u>7,281</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(596,941)</u>	<u>-</u>	<u>(136,692)</u>	<u>313,616</u>	<u>60,994</u>	<u>193</u>	<u>(25)</u>	<u>-</u>	<u>4,285</u>	<u>(1,468)</u>
Cash and investments - ending	<u>\$ 1,122,154</u>	<u>\$ -</u>	<u>\$ 875,025</u>	<u>\$ (900,347)</u>	<u>\$ 205,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,167</u>	<u>\$ 510</u>

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

	Miscellaneous Donations	High Ability Grant 09/10	High Ability Grant 10/11	Non-English Speaking 08/09	Non-English Speaking 10/11	E-Rate Reimbursement	Classroom Innovation	Excess PTRC Distributions	Title I MSD 09/10	Title I MSD 10/11
Cash and investments - beginning	\$ 2,290	\$ 5,947	\$ -	\$ 3,465	\$ -	\$ 46,325	\$ -	\$ 35,139	\$ 20,859	\$ -
Receipts:										
Local sources	20,000	-	-	-	-	2,297	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	35,277	-	1,374	4,887	154,145	-	-	-
Federal sources	-	-	-	-	-	-	-	-	20,000	174,941
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	35,777	-	-	-	-
Total receipts	20,000	-	35,277	-	1,374	42,961	154,145	-	20,000	174,941
Disbursements:										
Current:										
Instruction	1,647	5,947	30,320	3,465	412	-	-	-	40,310	166,643
Support services	-	-	-	-	-	49,147	-	-	549	18,683
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,647	5,947	30,320	3,465	412	49,147	-	-	40,859	185,326
Excess (deficiency) of receipts over disbursements	18,353	(5,947)	4,957	(3,465)	962	(6,186)	154,145	-	(20,859)	(10,385)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	27,157	-	-	-	-
Transfers out	-	-	-	-	-	(27,157)	-	(35,139)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(35,139)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,353	(5,947)	4,957	(3,465)	962	(6,186)	154,145	(35,139)	(20,859)	(10,385)
Cash and investments - ending	\$ 20,643	\$ -	\$ 4,957	\$ -	\$ 962	\$ 40,139	\$ 154,145	\$ -	\$ -	\$ (10,385)

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

	Title I White's 09/10	Title I White's 10/11	14210-058-PN01 09/10	14209-058-PY02 09/10	14211-058-PN01 10/11	45710-058-PN01 09/10	45711-058-PN01 10/11	Title IV Part A Safe/Drug Free	Title II Part A 08/09	Title II Part A FY09
Cash and investments - beginning	\$ (9,053)	\$ -	\$ 266,383	\$ 57,875	\$ -	\$ 13,121	\$ -	\$ -	\$ 43,384	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	27,000	171,808	214,201	-	1,345,310	6,150	46,825	6,699	-	16,787
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>27,000</u>	<u>171,808</u>	<u>214,201</u>	<u>-</u>	<u>1,345,310</u>	<u>6,150</u>	<u>46,825</u>	<u>6,699</u>	<u>-</u>	<u>16,787</u>
Disbursements:										
Current:										
Instruction	19,608	135,366	158,076	18,921	530,299	19,271	51,794	-	15,854	-
Support services	-	36,442	203,435	38,954	852,328	-	-	6,699	27,530	21,673
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	20,000	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	115,437	-	-	-	-	-	-	2,296
Total disbursements	<u>19,608</u>	<u>171,808</u>	<u>476,948</u>	<u>57,875</u>	<u>1,402,627</u>	<u>19,271</u>	<u>51,794</u>	<u>6,699</u>	<u>43,384</u>	<u>23,969</u>
Excess (deficiency) of receipts over disbursements	<u>7,392</u>	<u>-</u>	<u>(262,747)</u>	<u>(57,875)</u>	<u>(57,317)</u>	<u>(13,121)</u>	<u>(4,969)</u>	<u>-</u>	<u>(43,384)</u>	<u>(7,182)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,392</u>	<u>-</u>	<u>(262,747)</u>	<u>(57,875)</u>	<u>(57,317)</u>	<u>(13,121)</u>	<u>(4,969)</u>	<u>-</u>	<u>(43,384)</u>	<u>(7,182)</u>
Cash and investments - ending	<u>\$ (1,661)</u>	<u>\$ -</u>	<u>\$ 3,636</u>	<u>\$ -</u>	<u>\$ (57,317)</u>	<u>\$ -</u>	<u>\$ (4,969)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,182)</u>

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

	Title II D Enhancing Education	Limited English Grant	Fiscal Stabilization	Title I MSD Stimulus	IDEA Part B Stimulus	44410-058-SN01 Preschool	Title I Part D Subpart 2	Education Jobs	Totals
Cash and investments - beginning	\$ 5,505	\$ 79	\$ -	\$ (4,240)	\$ (263,238)	\$ 3,901	\$ 30,612	\$ -	\$ 6,914,676
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,791,742
Intermediate sources	-	-	-	-	-	-	-	-	331,694
State sources	-	-	-	-	-	-	-	-	14,243,485
Federal sources	-	-	-	28,138	629,202	21,263	20,294	84,876	3,244,135
Temporary loans	-	-	-	-	-	-	-	-	743,399
Other	-	-	-	-	-	-	-	-	161,541
Total receipts	-	-	-	28,138	629,202	21,263	20,294	84,876	30,515,996
Disbursements:									
Current:									
Instruction	-	79	-	23,898	97,406	26,865	56,212	79,981	12,700,944
Support services	5,505	-	-	-	167,596	-	-	39,535	9,709,991
Noninstructional services	-	-	-	-	-	-	-	-	1,085,905
Facilities acquisition and construction	-	-	-	-	17,019	-	-	-	1,352,092
Debt services	-	-	-	-	-	-	-	-	2,318,589
Nonprogrammed charges	-	-	-	-	103,500	-	-	-	4,387,097
Total disbursements	5,505	79	-	23,898	385,521	26,865	56,212	119,516	31,554,618
Excess (deficiency) of receipts over disbursements	(5,505)	(79)	-	4,240	243,681	(5,602)	(35,918)	(34,640)	(1,038,622)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	2,043,767
Transfers in	-	-	-	-	-	-	-	-	136,035
Transfers out	-	-	-	-	-	-	-	-	(136,035)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,043,767
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,505)	(79)	-	4,240	243,681	(5,602)	(35,918)	(34,640)	1,005,145
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (19,557)	\$ (1,701)	\$ (5,306)	\$ (34,640)	\$ 7,919,821

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
2007 School Building Corporation	\$ 4,700,000	\$ 455,600	Debt Service
2007 Building Improvements (energy savings)	3,895,033	686,114	Capital Projects
2009 Computer Equipment	38,000	39,368	Capital Projects
2011 Building Improvements	5,965,000	110,000	Debt Service
Bonds payable:			
General obligation bonds:			
Pension Bonds	<u>2,050,000</u>	<u>170,801</u>	Retirement/Severance Bond Debt Service
Total debt	<u>\$ 16,648,033</u>	<u>\$ 1,461,883</u>	

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
AUDIT RESULTS AND COMMENTS

***CERTIFIED REPORT NOT FILED***

The School Corporation did not file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the State Board of Accounts which was due in January 2010. The report which was due in January 2011 was filed October 21, 2011.

Indiana Code 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

***OVERDRAWN CASH BALANCES***

The cash balance of the Child Development Fund was overdrawn at June 30, 2010 and 2011. The cash balance of the Awards/Students and Employees Fund was overdrawn at June 30, 2010. A similar comment appeared in prior Report B35907.

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

***CAPITAL ASSET RECORDS***

Capital asset records were not available for audit. A similar comment appeared in prior Report B35907.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***COLLECTION OF AMOUNTS DUE***

The School Corporation is the Lead Educational Agency for the Wabash Miami Area Program. Billings to participating school corporations for Child Development transfer tuition are sent annually, approximately 6 months after the close of the school year. Payments have been received as much as 17 months after the end of the school year. One school corporation has an outstanding balance as of January 11, 2012, for the 2009-2010 school year.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

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

Information presented for audit shows 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 is shown below:

School Year	Grade	Count as Reported on Form 30A	Actual Enrollment Figures	Difference
2010-2011	Kindergarten through 12	2,322.5	2,323.5	(1.0)

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)

***BANK ACCOUNT RECONCILIATIONS (Applies to Northfield High School)***

The May 31, 2010 depository reconciliation of the fund balances to the bank account balances could not be verified. The reconciliation provided used an outstanding check amount of \$15,205.69; however, no detailed outstanding check list was available for audit.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

***CREDIT CARDS (Applies to Sharp Creek Elementary School)***

Sharp Creek Elementary School is using credit cards to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
AUDIT RESULTS AND COMMENTS

- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

***DISBURSEMENT DOCUMENTATION AND PENALTIES, INTEREST, AND OTHER CHARGES (Applies to Sharp Creek Elementary School)***

Payments were made on credit card purchases which did not contain adequate, or sometimes any supporting documentation, such as receipts and invoices. The credit card is used for online purchases, class trip charges (fuel, entry fees, camp/lodging fees, and food) and purchases from local retailers (Wal-Mart, Staples, and Pizza Hut). Also, many charges were paid (late fees, over limit fees, finance charges, and interest) due to untimely payments.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF WABASH COUNTY, WABASH COUNTY, INDIANA

Compliance

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

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

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

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

February 7, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 09-10 FY 10-11	\$ 56,908 -	\$ - 59,623
Total for program			56,908	59,623
National School Lunch Program	10.555	FY 09-10 FY 10-11	384,614 -	- 394,751
Total for program			384,614	394,751
Total for federal grantor agency			441,522	454,374
<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	09-8050 10-8050 11-8050	42,305 385,276 -	- 58,806 357,132
Total for program			427,581	415,938
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-8050	172,262	80,110
Total for cluster			599,843	496,048
Special Education Cluster				
Special Education - Grants to States	84.027	14208-058-PY02 14209-058-PN01 14210-058-PN01 14211-058-PN01	54,482 366,015 1,433,617 -	- 57,875 476,946 1,402,622
Total for program			1,854,114	1,937,443
Special Education - Preschool Grants	84.173	45709-058-PN01 45710-058-PN01 45711-058-PN01	10,611 54,571 -	- 19,270 51,793
Total for program			65,182	71,063
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-058-SN01	1,170,433	385,520
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-058-SN01	35,305	26,864
Total for cluster			3,125,034	2,420,890

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Education Technology State Grants Cluster				
Education Technology State Grants	84.318	C1098050	76,764	5,505
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
	84.394	FY 09-10	1,706,043	-
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	8050-07	3,973	-
		08-8050	5,513	-
		09-8050	-	6,699
Total for program			9,486	6,699
State Grants for Innovative Programs				
	84.298	08-8050	2,215	-
		09-8050	11,000	-
Total for program			13,215	-
Pass-Through Region 8 Education Service Center				
English Language Acquisition Grants	84.365	FY 08-09	225	79
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants				
	84.367	07-8050	32,482	-
		08-8050	20,275	43,383
		09-8050	-	23,968
Total for program			52,757	67,351
ARRA - Education Jobs Fund, Recovery Act				
	84.410	FY 10-11	-	119,514
Total for federal grantor agency			5,583,367	3,116,086
Total federal awards expended			<u>\$ 6,024,889</u>	<u>\$ 3,570,460</u>

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

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

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metropolitan School District of Wabash County (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Subrecipients**

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

Program Title	Federal CFDA Number	For the Year Ended June 30, 2010	For the Year Ended June 30, 2011
ARRA – Special Education – Grants to States, Recovery Act	84.391	\$ 229,798	\$ 103,500

**Note 3. Noncash Assistance**

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

Program Title	Federal CFDA Number	For the Year Ended June 30, 2010	For the Year Ended June 30, 2011
Child Nutrition Cluster: Food Commodities:			
School Breakfast Program	10.553	\$ 53,402	\$ 53,320
National School Lunch Program	10.555	7,897	8,115
Totals for cluster		\$ 61,299	\$ 61,435

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

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition 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.

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2012, with Dr. Sandra S. Weaver, Superintendent of Schools; Dr. Brian K. Dawson, Treasurer; Laura Baer, Deputy Treasurer; and Kevin Bowman, President of the School Board.