

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 DECATUR TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

03/09/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Jeffrey S. Baer Robert P. Harris II W. Kirk Farmer	07-01-09 to 01-31-10 02-01-10 to 02-28-11 03-01-11 to 06-30-12
Superintendent of Schools	Donald H. Stinson	07-01-09 to 06-30-12
President of the School Board	Dale Henson Cathy Wiseman Donald L. Huffman	07-01-09 to 06-30-10 07-01-10 to 06-30-11 07-01-11 to 06-30-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF DECATUR TOWNSHIP, MARION COUNTY, INDIANA

We have audited the accompanying financial statement of the Metropolitan School District of Decatur Township (School Corporation), for the years ended June 30, 2010 and 2011. The 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 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 January 25, 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 Schedule 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 Schedule 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.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

January 25, 2012



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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF DECATUR TOWNSHIP, MARION COUNTY, INDIANA

We have audited the financial statement of the Metropolitan School District of Decatur Township (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 25, 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

January 25, 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.

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METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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	\$ (1,728,302)	\$ 44,064,566	\$ 43,163,306	\$ 902,093	\$ 75,051	\$ 41,721,599	\$ 37,873,600	\$ (2,556,111)	\$ 1,366,939
Debt Service	(845,391)	30,829,258	19,936,484	(6,647,537)	3,399,846	13,808,979	14,997,352	(1,161,666)	1,049,807
Retirement/Severance Bond Debt Service	(850,384)	1,961,453	1,156,463	50,000	4,606	910,257	778,818	(50,000)	86,045
Capital Projects	4,746,113	6,359,969	6,290,988	281,842	5,096,936	3,618,248	4,050,426	(846,925)	3,817,833
School Transportation	5,290,378	3,625,492	6,402,148	179,793	2,693,515	1,505,702	3,938,083	157,322	418,456
School Bus Replacement	630,463	-	155,787	(121,391)	353,285	1,693,048	1,097,922	(800,000)	148,411
Special Education Preschool	(92,361)	99,708	29,635	22,288	-	-	-	-	-
Rainy Day	1,688,067	31,464	2,380,460	5,235,959	4,575,030	3,041	4,779,633	4,850,000	4,648,438
Construction	(215,619)	740,021	509,985	(39,624)	(25,207)	-	101,527	126,734	-
Safekeeping	12,066,779	230,971	3,866,805	4,810	8,435,755	82,379	7,484,026	(2,722)	1,031,386
Southwest Pavilion	214,103	4,648	142,183	(76,568)	-	-	-	-	-
Vehicle Repairs/Misc	(66)	-	-	66	-	-	-	-	-
School Lunch	706,559	3,883,211	3,730,352	-	859,418	4,351,884	4,246,858	-	964,444
Textbook Rental	(495,139)	618,251	634,067	167,763	(343,192)	567,922	415,262	69,018	(121,514)
Levy Excess	-	-	-	-	-	60,698	-	(60,698)	-
Educational License Plates	2,122	675	304	(888)	1,605	-	1,680	75	-
Alternative Education	7,033	34,347	34,347	(7,033)	-	-	-	-	-
Alternative Education 2009/2010	-	-	-	-	-	32,610	32,610	-	-
Alternative Education 2008/2009	-	-	7,033	7,033	-	-	-	-	-
School Library Printed Material	13	-	-	(13)	-	8,500	8,260	-	240
Collection Development	-	-	-	12	12	-	12	-	-
Library Collection Grant	-	8,000	7,497	-	503	-	503	-	-
Early Intervention Grant	1,200	3,000	-	-	4,200	-	4,200	-	-
Pepsi	20,889	28,000	-	(20,889)	28,000	-	21,549	-	6,451
Connect 8	-	100,000	-	-	100,000	-	26,644	-	73,356
American Bottling	-	-	-	-	-	7,500	-	-	7,500
DDA 7 Up Funds	-	-	-	-	-	1,000	1,000	-	-
Lilly School Initiative II	17,385	22	17,407	-	-	-	-	-	-
IMI 2007/2008	(1,064)	-	-	1,633	569	-	18,193	17,624	-
Challenger Learning Center	(689,716)	106,480	236,442	-	(819,678)	77,043	121,973	100,014	(764,594)
Scholarships and Awards	1,004	-	-	-	1,004	-	-	-	1,004
Eugene Smith Scholarship	53,566	4,000	4,580	-	52,986	250	4,000	-	49,236
Exploratory Teaching Scholarship	139	-	-	(139)	-	-	-	-	-
Richard H. Crosser Scholarship	-	1,000	1,000	-	-	-	-	-	-
DTEF Small Grants	(37,969)	46,600	45,960	17,982	(19,347)	21,775	12,827	10,399	-
Buddy Family Backpack	-	-	-	-	-	-	-	214	214
Campus Landscaping	-	-	-	-	-	-	-	1,000	1,000
College Summit	-	5,342	-	(5,342)	-	-	1,987	1,987	-
Clarke Special Ed Donation	-	15,000	-	-	15,000	-	8,003	-	6,997
Jordan Fundamentals Nike Grant	210	-	-	-	210	-	-	-	210
Lumina Foundation for Education	1,881	-	1,483	(398)	-	-	-	-	-
Lumina Foundation 2009-2010	-	7,631	4,429	-	3,202	-	3,202	-	-

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

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

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Lumina Grant 2010-2011	-	-	-	-	-	6,633	4,337	-	2,296
Remediation* K-12	25,220	-	25,220	-	-	-	-	-	-
Remediation K-12	-	-	41,897	77,092	35,195	-	35,195	-	-
Remediation Graduation Qualify	-	-	34,552	34,552	-	-	-	-	-
Remediation 2011-2012	-	-	-	-	-	26,016	-	-	26,016
Retirement Banquet	1,168	-	-	-	1,168	-	-	-	1,168
Principal Leadership Academy	1,088	-	105	(100)	883	-	-	(883)	-
PL 221 2007-2008	3,683	-	-	1,012	4,695	-	-	(4,695)	-
Economic Education Mini Grant	57,022	414	27,716	-	29,720	1,249	21,062	5,503	15,410
Early Childhood Center Preschool	(97,235)	152,331	105,500	-	(50,404)	151,858	117,374	15,920	-
Non-English Speaking Programs P.L. 273-1999	4,787	-	-	(4,787)	-	-	-	-	-
Non-English Speaking Program	-	-	4,787	4,787	-	-	-	-	-
ESL/State Grant	-	31,885	25,679	-	6,206	-	6,206	-	-
ESL/State 2010-2011	-	-	-	-	-	26,137	25,853	-	284
School Technology	278,367	105,090	-	-	383,457	109,447	477,512	-	15,392
Technology Plan Buddy	10,000	2,001	9,619	-	2,382	-	1,080	(1,302)	-
NGA Early College Grant	15,513	-	15,513	-	-	-	-	-	-
College Readiness Fund	-	-	-	-	-	6,000	1,831	-	4,169
Ace Academy Cell Design and Prep	34,427	-	4,081	-	30,346	-	-	-	30,346
State High Ability Grant	6,904	-	6,904	-	-	-	-	-	-
High Ability Grant	-	52,527	52,527	-	-	-	-	-	-
High Ability 2010-2011	-	-	-	-	-	51,740	50,890	(850)	-
New Tech Grant	6,763	35,181	8,507	(15,655)	17,782	-	13,085	-	4,697
School of Ideas	(3,465)	-	8,433	11,898	-	-	-	-	-
Ivy Tech Grant	-	-	-	-	-	3,000	714	-	2,286
Health and Hospital Corp	72,091	-	716	(9,692)	61,683	-	61,683	-	-
GQE Remediation*2010-2011	-	34,552	-	-	34,552	25,544	34,552	-	25,544
Remediation Preventitive 2010	-	51,472	-	-	51,472	-	51,472	-	-
IMI - EM Grant	-	-	-	-	-	5,656	5,656	-	-
Project Based Learning	-	10,199	-	-	10,199	73	6,757	-	3,515
Refund of Insurance	221,114	7,802	49,130	-	179,786	1,772	45,325	-	136,233
Liability Insurance Claim	75,991	25,983	31,245	-	70,729	37,875	44,072	(55,651)	8,881
Title I	316,738	-	-	(316,738)	-	1,123,184	1,227,023	282,664	178,825
Title I 2008/2009	-	138,578	302,606	164,028	-	-	-	-	-
Title I 2009/2010	-	1,333,398	998,224	173,305	508,479	110,600	287,952	(331,127)	-
Title I Summer Advantage	-	550,000	-	-	550,000	-	501,835	(48,165)	-
School Improvement	(3,680)	-	-	3,680	-	-	-	-	-
Innovative Education Program Strategies Title V (Part A)	-	3,904	1,660	(2,244)	-	-	-	-	-
Drug Free Schools	-	-	17,489	17,489	-	-	-	-	-
Safe and Drug Free 2009/2010	-	28,163	21,827	10,000	16,336	-	6,336	(10,000)	-
Title II - Dwight D. Eisenhower - Science and Math Technology Grants	4,888	-	-	-	4,888	-	-	-	4,888
PLTW Pre-Engineering 2010-2011	-	-	-	-	-	15,000	30,000	15,000	-

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

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

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
PLTW Bio Medical 2011-2012	-	-	-	-	-	-	3,200	3,200	-
Bio Med Grant 2009/2010	-	64	18,881	-	(18,817)	19,617	800	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	71,591	55,830	107,421	(20,000)	-	-	-	-	-
Title II Part A: Improving Teacher	-	-	-	-	-	17,851	54,154	36,303	-
Title II Part A Improving Teacher	-	-	-	-	-	-	10,000	10,000	-
Title II Part A NCLB	-	165,895	99,593	4,128	70,430	7,501	72,608	-	5,323
ITQ, Enhanced Education Through Technology, Title II, Part D	-	128,623	155,920	-	(27,297)	-	-	27,297	-
Title III, Language Instruction	(2,978)	-	-	2,978	-	-	-	-	-
Title III Federal ESL	-	-	-	-	-	-	-	-	-
ESL Title III part A	-	12,349	3,969	-	8,380	7,410	15,790	-	-
Title III LEP 2010-2011	-	-	-	-	-	19,968	29,120	9,152	-
Title II Part B Math and Science Partnership	(39,079)	206,004	215,098	-	(48,173)	159,347	168,699	57,525	-
Math and Science Partnership	-	-	-	-	-	-	149,377	149,377	-
Teacher Incentive Fund	-	-	-	-	-	7,501	7,467	-	34
Reading First, No Child Left Behind	138,532	114,621	757,057	504,433	529	-	-	(529)	-
Reading First 2009/2010	-	10,025	-	(10,025)	-	-	-	-	-
Reading First* 2009/2010	-	-	33,623	33,623	-	20,060	34,165	14,105	-
Star Schools Taking Action HS	1,928	-	-	-	1,928	-	-	-	1,928
Fiscal Stabilization - Education	1,813,889	1,258,261	3,072,150	-	-	-	-	-	-
Title I - Grants to LEAs	-	654,733	833,220	-	(178,487)	434,254	258,228	2,461	-
Special Education - Part B	-	764,850	263,857	-	500,993	92	330,883	-	170,202
Special Education - Part B - Preschool	-	28,528	21,244	-	7,284	-	7,604	320	-
Education Technology	-	70,000	34,594	-	35,406	246,884	282,290	-	-
School Lunch Equipment	-	15,000	15,000	-	-	-	-	-	-
Payroll Withholding Funds	97,023	12,121,062	12,199,397	-	18,688	11,412,634	11,435,685	-	(4,363)
Totals	\$ 23,604,183	\$ 110,978,434	\$ 108,384,106	\$ 615,216	\$ 26,813,727	\$ 82,527,338	\$ 95,948,022	\$ 31,890	\$ 13,424,933

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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, 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, 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 DECATUR TOWNSHIP
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, and revenue for or on behalf of the School Corporation.

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

E. Disbursements

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

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

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

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

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

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

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

F. Other financing sources and uses

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

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.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 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/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Construction	Safekeeping
Cash and investments - beginning	\$ (1,728,302)	\$ (845,391)	\$ (850,384)	\$ 4,746,113	\$ 5,290,378	\$ 630,463	\$ (92,361)	\$ 1,688,067	\$ (215,619)	\$ 12,066,779
Receipts:										
Local sources	4,240,309	30,829,258	1,961,453	6,359,969	3,259,719	-	7,583	31,464	740,021	230,971
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	39,824,257	-	-	-	365,773	-	92,125	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>44,064,566</u>	<u>30,829,258</u>	<u>1,961,453</u>	<u>6,359,969</u>	<u>3,625,492</u>	<u>-</u>	<u>99,708</u>	<u>31,464</u>	<u>740,021</u>	<u>230,971</u>
Disbursements:										
Current:										
Instruction	23,791,829	-	-	-	-	-	29,635	1,658,123	1,701	-
Support services	12,546,726	144,481	-	1,921,306	4,071,187	155,787	-	693,290	357,536	3,768,249
Noninstructional services	499,244	-	-	-	-	-	-	19,612	-	-
Facilities acquisition and construction	-	-	-	1,846,063	-	-	-	-	150,748	98,556
Debt services	4,607,784	19,792,003	1,156,463	2,516,106	2,330,961	-	-	-	-	-
Nonprogrammed charges	1,717,723	-	-	7,513	-	-	-	9,435	-	-
Total disbursements	<u>43,163,306</u>	<u>19,936,484</u>	<u>1,156,463</u>	<u>6,290,988</u>	<u>6,402,148</u>	<u>155,787</u>	<u>29,635</u>	<u>2,380,460</u>	<u>509,985</u>	<u>3,866,805</u>
Excess (deficiency) of receipts over disbursements	<u>901,260</u>	<u>10,892,774</u>	<u>804,990</u>	<u>68,981</u>	<u>(2,776,656)</u>	<u>(155,787)</u>	<u>70,073</u>	<u>(2,348,996)</u>	<u>230,036</u>	<u>(3,635,834)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	1,136,550	-	50,000	286,652	275,455	-	22,288	6,285,959	-	4,810
Transfers out	(234,457)	(6,647,537)	-	(4,810)	(95,662)	(121,391)	-	(1,050,000)	(39,624)	-
Total other financing sources (uses)	<u>902,093</u>	<u>(6,647,537)</u>	<u>50,000</u>	<u>281,842</u>	<u>179,793</u>	<u>(121,391)</u>	<u>22,288</u>	<u>5,235,959</u>	<u>(39,624)</u>	<u>4,810</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,803,353</u>	<u>4,245,237</u>	<u>854,990</u>	<u>350,823</u>	<u>(2,596,863)</u>	<u>(277,178)</u>	<u>92,361</u>	<u>2,886,963</u>	<u>190,412</u>	<u>(3,631,024)</u>
Cash and investments - ending	<u>\$ 75,051</u>	<u>\$ 3,399,846</u>	<u>\$ 4,606</u>	<u>\$ 5,096,936</u>	<u>\$ 2,693,515</u>	<u>\$ 353,285</u>	<u>\$ -</u>	<u>\$ 4,575,030</u>	<u>\$ (25,207)</u>	<u>\$ 8,435,755</u>

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

	Southwest Pavillion	Vehicle Repairs Misc.	School Lunch	Textbook Rental	Educational License Plates	Alternative Education	Alternative Education 2008/2009	School Library Printed Material	Collection Development	Library Collection Grant
Cash and investments - beginning	\$ 214,103	\$ (66)	\$ 706,559	\$ (495,139)	\$ 2,122	\$ 7,033	\$ -	\$ 13	\$ -	\$ -
Receipts:										
Local sources	4,648	-	1,343,579	289,026	-	-	-	-	-	8,000
Intermediate sources	-	-	-	-	675	-	-	-	-	-
State sources	-	-	26,877	329,225	-	34,347	-	-	-	-
Federal sources	-	-	2,512,755	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>4,648</u>	<u>-</u>	<u>3,883,211</u>	<u>618,251</u>	<u>675</u>	<u>34,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Disbursements:										
Current:										
Instruction	-	-	-	73,325	147	34,347	7,033	-	-	-
Support services	54,504	-	85,885	560,742	157	-	-	-	-	7,497
Noninstructional services	-	-	3,477,156	-	-	-	-	-	-	-
Facilities acquisition and construction	87,679	-	161,866	-	-	-	-	-	-	-
Debt services	-	-	5,445	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>142,183</u>	<u>-</u>	<u>3,730,352</u>	<u>634,067</u>	<u>304</u>	<u>34,347</u>	<u>7,033</u>	<u>-</u>	<u>-</u>	<u>7,497</u>
Excess (deficiency) of receipts over disbursements	<u>(137,535)</u>	<u>-</u>	<u>152,859</u>	<u>(15,816)</u>	<u>371</u>	<u>-</u>	<u>(7,033)</u>	<u>-</u>	<u>-</u>	<u>503</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	3,746	-	-	-	-	-	-
Transfers in	-	66	800,929	164,017	-	-	7,033	-	12	-
Transfers out	<u>(76,568)</u>	<u>-</u>	<u>(800,929)</u>	<u>-</u>	<u>(888)</u>	<u>(7,033)</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(76,568)</u>	<u>66</u>	<u>-</u>	<u>167,763</u>	<u>(888)</u>	<u>(7,033)</u>	<u>7,033</u>	<u>(13)</u>	<u>12</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(214,103)</u>	<u>66</u>	<u>152,859</u>	<u>151,947</u>	<u>(517)</u>	<u>(7,033)</u>	<u>-</u>	<u>(13)</u>	<u>12</u>	<u>503</u>
Cash and investments - ending	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 859,418</u>	<u>\$ (343,192)</u>	<u>\$ 1,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 503</u>

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

	Early Intervention Grant	Pepsi	Connect 8	Lilly School Initiative II	IMI 2007/2008	Challenger Learning Center	Scholarships and Awards	Eugene Smith Scholarship	Exploratory Teaching Scholarship	Richard H. Crosser Scholarship
Cash and investments - beginning	\$ 1,200	\$ 20,889	\$ -	\$ 17,385	\$ (1,064)	\$ (689,716)	\$ 1,004	\$ 53,566	\$ 139	\$ -
Receipts:										
Local sources	-	28,000	100,000	22	-	106,480	-	4,000	-	1,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	3,000	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,000</u>	<u>28,000</u>	<u>100,000</u>	<u>22</u>	<u>-</u>	<u>106,480</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>1,000</u>
Disbursements:										
Current:										
Instruction	-	-	-	4,738	-	220,405	-	-	-	-
Support services	-	-	-	12,669	-	11,724	-	-	-	-
Noninstructional services	-	-	-	-	-	288	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	4,025	-	4,580	-	1,000
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,407</u>	<u>-</u>	<u>236,442</u>	<u>-</u>	<u>4,580</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of receipts over disbursements	<u>3,000</u>	<u>28,000</u>	<u>100,000</u>	<u>(17,385)</u>	<u>-</u>	<u>(129,962)</u>	<u>-</u>	<u>(580)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,633	-	-	-	-	-
Transfers out	-	(20,889)	-	-	-	-	-	-	(139)	-
Total other financing sources (uses)	<u>-</u>	<u>(20,889)</u>	<u>-</u>	<u>-</u>	<u>1,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(139)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,000</u>	<u>7,111</u>	<u>100,000</u>	<u>(17,385)</u>	<u>1,633</u>	<u>(129,962)</u>	<u>-</u>	<u>(580)</u>	<u>(139)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,200</u>	<u>\$ 28,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 569</u>	<u>\$ (819,678)</u>	<u>\$ 1,004</u>	<u>\$ 52,986</u>	<u>\$ -</u>	<u>\$ -</u>

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

	DTEF Small Grants	College Summit	Clarke Special Ed Donation	Jordan Fundamentals Nike Grant	Lumina Foundation for Education	Lumina Foundation 2009-2010	Remediation* K-12	Remediation K-12	Remediation Graduation Qualify	Retirement Banquet
Cash and investments - beginning	\$ (37,969)	\$ -	\$ -	\$ 210	\$ 1,881	\$ -	\$ 25,220	\$ -	\$ -	\$ 1,168
Receipts:										
Local sources	46,600	5,342	15,000	-	-	7,631	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>46,600</u>	<u>5,342</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>7,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	25,260	-	-	-	783	3,709	25,220	41,897	34,552	-
Support services	-	-	-	-	700	720	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	18,000	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,700	-	-	-	-	-	-	-	-	-
Total disbursements	<u>45,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,483</u>	<u>4,429</u>	<u>25,220</u>	<u>41,897</u>	<u>34,552</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>640</u>	<u>5,342</u>	<u>15,000</u>	<u>-</u>	<u>(1,483)</u>	<u>3,202</u>	<u>(25,220)</u>	<u>(41,897)</u>	<u>(34,552)</u>	<u>-</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	17,982	-	-	-	-	-	-	77,092	34,552	-
Transfers out	-	(5,342)	-	-	(398)	-	-	-	-	-
Total other financing sources (uses)	<u>17,982</u>	<u>(5,342)</u>	<u>-</u>	<u>-</u>	<u>(398)</u>	<u>-</u>	<u>-</u>	<u>77,092</u>	<u>34,552</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>18,622</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(1,881)</u>	<u>3,202</u>	<u>(25,220)</u>	<u>35,195</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (19,347)</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 210</u>	<u>\$ -</u>	<u>\$ 3,202</u>	<u>\$ -</u>	<u>\$ 35,195</u>	<u>\$ -</u>	<u>\$ 1,168</u>

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

	Principal Leadership Academy	PL 221 2007-2008	Economic Education Mini Grant	Early Childhood Center Preschool	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Program	ESL/State Grant	School Technology	Technology Plan Buddy	NGA Early College Grant
Cash and investments - beginning	\$ 1,088	\$ 3,683	\$ 57,022	\$ (97,235)	\$ 4,787	\$ -	\$ -	\$ 278,367	\$ 10,000	\$ 15,513
Receipts:										
Local sources	-	-	-	152,331	-	-	-	105,090	2,001	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	414	-	-	-	31,885	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	414	152,331	-	-	31,885	105,090	2,001	-
Disbursements:										
Current:										
Instruction	-	-	-	105,494	-	4,787	24,790	-	-	-
Support services	105	-	27,716	6	-	-	889	-	1,810	15,513
Noninstructional services	-	-	-	-	-	-	-	-	7,809	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	105	-	27,716	105,500	-	4,787	25,679	-	9,619	15,513
Excess (deficiency) of receipts over disbursements	(105)	-	(27,302)	46,831	-	(4,787)	6,206	105,090	(7,618)	(15,513)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	1,012	-	-	-	4,787	-	-	-	-
Transfers out	(100)	-	-	-	(4,787)	-	-	-	-	-
Total other financing sources (uses)	(100)	1,012	-	-	(4,787)	4,787	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(205)	1,012	(27,302)	46,831	(4,787)	-	6,206	105,090	(7,618)	(15,513)
Cash and investments - ending	\$ 883	\$ 4,695	\$ 29,720	\$ (50,404)	\$ -	\$ -	\$ 6,206	\$ 383,457	\$ 2,382	\$ -

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

	Ace Academy Cell Design and Prep	State High Ability Grant	High Ability Grant	New Tech Grant	School of Ideas	Health and Hospital Corp	GQE Remediation* 2010-2011	Remediation Preventive 2010	Project Based Learning	Refund of Insurance
Cash and investments - beginning	\$ 34,427	\$ 6,904	\$ -	\$ 6,763	\$ (3,465)	\$ 72,091	\$ -	\$ -	\$ -	\$ 221,114
Receipts:										
Local sources	-	-	52,527	35,181	-	-	-	-	10,199	7,802
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	34,552	51,472	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	52,527	35,181	-	-	34,552	51,472	10,199	7,802
Disbursements:										
Current:										
Instruction	32	6,904	50,277	-	-	-	-	-	-	34,605
Support services	4,049	-	2,250	8,507	8,433	716	-	-	-	14,525
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,081	6,904	52,527	8,507	8,433	716	-	-	-	49,130
Excess (deficiency) of receipts over disbursements	(4,081)	(6,904)	-	26,674	(8,433)	(716)	34,552	51,472	10,199	(41,328)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	11,898	-	-	-	-	9,692
Transfers out	-	-	-	(15,655)	-	(9,692)	-	-	-	(9,692)
Total other financing sources (uses)	-	-	-	(15,655)	11,898	(9,692)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,081)	(6,904)	-	11,019	3,465	(10,408)	34,552	51,472	10,199	(41,328)
Cash and investments - ending	\$ 30,346	\$ -	\$ -	\$ 17,782	\$ -	\$ 61,683	\$ 34,552	\$ 51,472	\$ 10,199	\$ 179,786

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

	Liability Insurance Claim	Title I	Title I 2008/2009	Title I 2009/2010	Title I Summer Advantage	School Improvement	Innovative Education Program Strategies Title V (Part A)	Drug Free Schools	Safe and Drug Free 2009-2010	Title II Dwight D. Eisenhower Science and Math Technology Grants
Cash and investments - beginning	\$ 75,991	\$ 316,738	\$ -	\$ -	\$ -	\$ (3,680)	\$ -	\$ -	\$ -	\$ 4,888
Receipts:										
Local sources	1,106	-	3,000	5	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	135,578	1,333,393	550,000	-	3,904	-	28,163	-
Other	24,877	-	-	-	-	-	-	-	-	-
Total receipts	25,983	-	138,578	1,333,398	550,000	-	3,904	-	28,163	-
Disbursements:										
Current:										
Instruction	-	-	126,278	591,127	-	-	-	17,489	21,827	-
Support services	31,245	-	170,144	378,977	-	-	1,660	-	-	-
Noninstructional services	-	-	6,184	23,004	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	5,116	-	-	-	-	-	-
Total disbursements	31,245	-	302,606	998,224	-	-	1,660	17,489	21,827	-
Excess (deficiency) of receipts over disbursements	(5,262)	-	(164,028)	335,174	550,000	-	2,244	(17,489)	6,336	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	316,737	248,305	-	3,680	-	17,489	10,000	-
Transfers out	-	(316,738)	(152,709)	(75,000)	-	-	(2,244)	-	-	-
Total other financing sources (uses)	-	(316,738)	164,028	173,305	-	3,680	(2,244)	17,489	10,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,262)	(316,738)	-	508,479	550,000	3,680	-	-	16,336	-
Cash and investments - ending	\$ 70,729	\$ -	\$ -	\$ 508,479	\$ 550,000	\$ -	\$ -	\$ -	\$ 16,336	\$ 4,888

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

	Bio Med Grant 2009/2010	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A NCLB	ITQ Enhanced Education Through Technology Title II, Part D	Title III Language Instruction	Title III Federal ESL	ESL Title III part A	Title II Part B Math and Science Partnership	Reading First No Child Left Behind	Reading First 2009/2010
Cash and investments - beginning	\$ -	\$ 71,591	\$ -	\$ -	\$ (2,978)	\$ -	\$ -	\$ (39,079)	\$ 138,532	\$ -
Receipts:										
Local sources	64	-	-	-	-	-	-	4	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	55,830	165,895	128,623	-	-	12,349	206,000	114,621	10,025
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>64</u>	<u>55,830</u>	<u>165,895</u>	<u>128,623</u>	<u>-</u>	<u>-</u>	<u>12,349</u>	<u>206,004</u>	<u>114,621</u>	<u>10,025</u>
Disbursements:										
Current:										
Instruction	50	105,850	95,918	-	-	-	3,469	-	747,478	-
Support services	4,700	1,571	3,675	155,920	-	-	500	215,098	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	14,131	-	-	-	-	-	-	-	480	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	9,099	-
Total disbursements	<u>18,881</u>	<u>107,421</u>	<u>99,593</u>	<u>155,920</u>	<u>-</u>	<u>-</u>	<u>3,969</u>	<u>215,098</u>	<u>757,057</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(18,817)</u>	<u>(51,591)</u>	<u>66,302</u>	<u>(27,297)</u>	<u>-</u>	<u>-</u>	<u>8,380</u>	<u>(9,094)</u>	<u>(642,436)</u>	<u>10,025</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	4,128	-	2,978	2,978	-	-	687,359	-
Transfers out	-	(20,000)	-	-	-	(2,978)	-	-	(182,926)	(10,025)
Total other financing sources (uses)	<u>-</u>	<u>(20,000)</u>	<u>4,128</u>	<u>-</u>	<u>2,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>504,433</u>	<u>(10,025)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(18,817)</u>	<u>(71,591)</u>	<u>70,430</u>	<u>(27,297)</u>	<u>2,978</u>	<u>-</u>	<u>8,380</u>	<u>(9,094)</u>	<u>(138,003)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (18,817)</u>	<u>\$ -</u>	<u>\$ 70,430</u>	<u>\$ (27,297)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,380</u>	<u>\$ (48,173)</u>	<u>\$ 529</u>	<u>\$ -</u>

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

	Reading First* 2009/2010	Star Schools Taking Action HS	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Technology	School Lunch Equipment	Payroll Withholding Funds	Totals
Cash and investments - beginning	\$ -	\$ 1,928	\$ 1,813,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,023	\$ 23,604,183
Receipts:										
Local sources	-	-	-	1	3	-	-	-	-	49,989,389
Intermediate sources	-	-	-	-	-	-	-	-	-	675
State sources	-	-	-	-	-	-	-	-	-	40,793,927
Federal sources	-	-	1,258,261	654,732	764,847	28,528	70,000	15,000	-	8,048,504
Other	-	-	-	-	-	-	-	-	12,121,062	12,145,939
Total receipts	-	-	1,258,261	654,733	764,850	28,528	70,000	15,000	12,121,062	110,978,434
Disbursements:										
Current:										
Instruction	5,239	-	2,373,980	56,658	224,281	1,244	-	-	-	30,550,481
Support services	28,384	-	557,817	776,562	20,261	20,000	33,919	-	-	26,878,112
Noninstructional services	-	-	-	-	-	-	-	15,000	-	4,048,297
Facilities acquisition and construction	-	-	140,353	-	19,315	-	675	-	-	2,537,866
Debt services	-	-	-	-	-	-	-	-	-	30,408,762
Nonprogrammed charges	-	-	-	-	-	-	-	-	12,199,397	13,960,588
Total disbursements	33,623	-	3,072,150	833,220	263,857	21,244	34,594	15,000	12,199,397	108,384,106
Excess (deficiency) of receipts over disbursements	(33,623)	-	(1,813,889)	(178,487)	500,993	7,284	35,406	-	(78,335)	2,594,328
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	3,746
Transfers in	33,623	-	-	-	-	-	-	-	-	10,519,696
Transfers out	-	-	-	-	-	-	-	-	-	(9,908,226)
Total other financing sources (uses)	33,623	-	-	-	-	-	-	-	-	615,216
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,813,889)	(178,487)	500,993	7,284	35,406	-	(78,335)	3,209,544
Cash and investments - ending	\$ -	\$ 1,928	\$ -	\$ (178,487)	\$ 500,993	\$ 7,284	\$ 35,406	\$ -	\$ 18,688	\$ 26,813,727

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 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	Construction	Safekeeping
Cash and investments - beginning	\$ 75,051	\$ 3,399,846	\$ 4,606	\$ 5,096,936	\$ 2,693,515	\$ 353,285	\$ 4,575,030	\$ (25,207)	\$ 8,435,755
Receipts:									
Local sources	501,058	13,808,979	910,257	3,618,248	1,233,470	1,691,012	3,041	-	82,379
State sources	41,220,541	-	-	-	272,232	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,036	-	-	-
Total receipts	41,721,599	13,808,979	910,257	3,618,248	1,505,702	1,693,048	3,041	-	82,379
Disbursements:									
Current:									
Instruction	24,861,727	-	-	-	-	-	1,604,738	-	-
Support services	11,282,993	1,981	-	1,772,014	3,938,083	1,097,922	652,643	101,527	7,127,569
Noninstructional services	451,671	-	-	-	-	-	16,723	-	-
Facilities acquisition and construction	1,316	-	-	962,492	-	-	-	-	356,457
Debt services	-	14,995,371	778,818	1,315,920	-	-	2,505,000	-	-
Nonprogrammed charges	1,275,893	-	-	-	-	-	529	-	-
Total disbursements	37,873,600	14,997,352	778,818	4,050,426	3,938,083	1,097,922	4,779,633	101,527	7,484,026
Excess (deficiency) of receipts over disbursements	3,847,999	(1,188,373)	131,439	(432,178)	(2,432,381)	595,126	(4,776,592)	(101,527)	(7,401,647)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	41,363	-	-	55,766	157,322	600,000	4,850,000	126,734	126,734
Transfers out	(2,597,474)	(1,161,666)	(50,000)	(902,691)	-	(1,400,000)	-	-	(129,456)
Total other financing sources (uses)	(2,556,111)	(1,161,666)	(50,000)	(846,925)	157,322	(800,000)	4,850,000	126,734	(2,722)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,291,888	(2,350,039)	81,439	(1,279,103)	(2,275,059)	(204,874)	73,408	25,207	(7,404,369)
Cash and investments - ending	\$ 1,366,939	\$ 1,049,807	\$ 86,045	\$ 3,817,833	\$ 418,456	\$ 148,411	\$ 4,648,438	\$ -	\$ 1,031,386

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 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	Levy Excess	Educational License Plates	Alternative Education 2009/2010	School Library Printed Material	Collection Development	Library Collection Grant	Early Intervention Grant
Cash and investments - beginning	\$ 859,418	\$ (343,192)	\$ -	\$ 1,605	\$ -	\$ -	\$ 12	\$ 503	\$ 4,200
Receipts:									
Local sources	1,701,860	291,497	60,698	-	-	8,500	-	-	-
State sources	24,703	276,425	-	-	32,610	-	-	-	-
Federal sources	2,625,321	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>4,351,884</u>	<u>567,922</u>	<u>60,698</u>	<u>-</u>	<u>32,610</u>	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	86,051	-	-	32,610	-	-	-	4,200
Support services	625,352	329,211	-	1,680	-	8,260	12	503	-
Noninstructional services	3,450,471	-	-	-	-	-	-	-	-
Facilities acquisition and construction	164,435	-	-	-	-	-	-	-	-
Debt services	6,600	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>4,246,858</u>	<u>415,262</u>	<u>-</u>	<u>1,680</u>	<u>32,610</u>	<u>8,260</u>	<u>12</u>	<u>503</u>	<u>4,200</u>
Excess (deficiency) of receipts over disbursements	<u>105,026</u>	<u>152,660</u>	<u>60,698</u>	<u>(1,680)</u>	<u>-</u>	<u>240</u>	<u>(12)</u>	<u>(503)</u>	<u>(4,200)</u>
Other financing sources (uses):									
Sale of capital assets	-	4,593	-	-	-	-	-	-	-
Transfers in	200,000	64,540	-	75	-	-	-	-	-
Transfers out	(200,000)	(115)	(60,698)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>69,018</u>	<u>(60,698)</u>	<u>75</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>105,026</u>	<u>221,678</u>	<u>-</u>	<u>(1,605)</u>	<u>-</u>	<u>240</u>	<u>(12)</u>	<u>(503)</u>	<u>(4,200)</u>
Cash and investments - ending	<u>\$ 964,444</u>	<u>\$ (121,514)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Pepsi	Connect 8	American Bottling	DDA 7 Up Funds	IMI 2007/2008	Challenger Learning Center	Scholarships and Awards	Eugene Smith Scholarship	DTEF Small Grants
Cash and investments - beginning	\$ 28,000	\$ 100,000	\$ -	\$ -	\$ 569	\$ (819,678)	\$ 1,004	\$ 52,986	\$ (19,347)
Receipts:									
Local sources	-	-	7,500	1,000	-	77,043	-	250	21,775
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	7,500	1,000	-	77,043	-	250	21,775
Disbursements:									
Current:									
Instruction	-	26,644	-	-	-	113,311	-	-	12,827
Support services	19,649	-	-	1,000	18,193	8,662	-	-	-
Noninstructional services	125	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,775	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	4,000	-
Total disbursements	21,549	26,644	-	1,000	18,193	121,973	-	4,000	12,827
Excess (deficiency) of receipts over disbursements	(21,549)	(26,644)	7,500	-	(18,193)	(44,930)	-	(3,750)	8,948
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	17,624	100,014	-	-	13,600
Transfers out	-	-	-	-	-	-	-	-	(3,201)
Total other financing sources (uses)	-	-	-	-	17,624	100,014	-	-	10,399
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,549)	(26,644)	7,500	-	(569)	55,084	-	(3,750)	19,347
Cash and investments - ending	\$ 6,451	\$ 73,356	\$ 7,500	\$ -	\$ -	\$ (764,594)	\$ 1,004	\$ 49,236	\$ -

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

	Buddy Family Backpack	Campus Landscaping	College Summit	Clarke Special Ed Donation	Jordan Fundamentals Nike Grant	Lumina Foundation 2009-2010	Lumina Grant 2010-2011	Remediation K-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 15,000	\$ 210	\$ 3,202	\$ -	\$ 35,195
Receipts:								
Local sources	-	-	-	-	-	-	6,633	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	6,633	-
Disbursements:								
Current:								
Instruction	-	-	1,987	8,003	-	1,920	3,166	35,195
Support services	-	-	-	-	-	1,282	1,171	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,987	8,003	-	3,202	4,337	35,195
Excess (deficiency) of receipts over disbursements	-	-	(1,987)	(8,003)	-	(3,202)	2,296	(35,195)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	214	1,000	1,987	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	214	1,000	1,987	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	214	1,000	-	(8,003)	-	(3,202)	2,296	(35,195)
Cash and investments - ending	\$ 214	\$ 1,000	\$ -	\$ 6,997	\$ 210	\$ -	\$ 2,296	\$ -

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

	Remediation 2011/2012	Retirement Banquet	Principal Leadership Academy	PL 221 2007-2008	Economic Education Mini Grant	Early Childhood Center Preschool	ESL/State Grant	ESL State 2010-2011
Cash and investments - beginning	\$ -	\$ 1,168	\$ 883	\$ 4,695	\$ 29,720	\$ (50,404)	\$ 6,206	\$ -
Receipts:								
Local sources	-	-	-	-	-	151,858	-	-
State sources	26,016	-	-	-	1,249	-	-	26,137
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>26,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,249</u>	<u>151,858</u>	<u>-</u>	<u>26,137</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	117,374	5,877	25,533
Support services	-	-	-	-	21,062	-	329	320
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,062</u>	<u>117,374</u>	<u>6,206</u>	<u>25,853</u>
Excess (deficiency) of receipts over disbursements	<u>26,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,813)</u>	<u>34,484</u>	<u>(6,206)</u>	<u>284</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	5,578	15,920	-	-
Transfers out	-	-	(883)	(4,695)	(75)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(883)</u>	<u>(4,695)</u>	<u>5,503</u>	<u>15,920</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>26,016</u>	<u>-</u>	<u>(883)</u>	<u>(4,695)</u>	<u>(14,310)</u>	<u>50,404</u>	<u>(6,206)</u>	<u>284</u>
Cash and investments - ending	<u>\$ 26,016</u>	<u>\$ 1,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284</u>

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

	School Technology	Technology Plan Buddy	College Readiness Fund	Ace Academy Cell Design and Prep	High Ability 2010-2011	New Tech Grant	Ivy Tech Grant	Health and Hospital Corp
Cash and investments - beginning	\$ 383,457	\$ 2,382	\$ -	\$ 30,346	\$ -	\$ 17,782	\$ -	\$ 61,683
Receipts:								
Local sources	106,118	-	6,000	-	-	-	3,000	-
State sources	3,329	-	-	-	51,740	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>109,447</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>51,740</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	50,890	-	-	-
Support services	407,590	1,080	1,831	-	-	13,085	-	7,193
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	69,922	-	-	-	-	-	-	54,490
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	714	-
Total disbursements	<u>477,512</u>	<u>1,080</u>	<u>1,831</u>	<u>-</u>	<u>50,890</u>	<u>13,085</u>	<u>714</u>	<u>61,683</u>
Excess (deficiency) of receipts over disbursements	<u>(368,065)</u>	<u>(1,080)</u>	<u>4,169</u>	<u>-</u>	<u>850</u>	<u>(13,085)</u>	<u>2,286</u>	<u>(61,683)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(1,302)	-	-	(850)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,302)</u>	<u>-</u>	<u>-</u>	<u>(850)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(368,065)</u>	<u>(2,382)</u>	<u>4,169</u>	<u>-</u>	<u>-</u>	<u>(13,085)</u>	<u>2,286</u>	<u>(61,683)</u>
Cash and investments - ending	<u>\$ 15,392</u>	<u>\$ -</u>	<u>\$ 4,169</u>	<u>\$ 30,346</u>	<u>\$ -</u>	<u>\$ 4,697</u>	<u>\$ 2,286</u>	<u>\$ -</u>

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

	GQE Remediation* 2010-2011	Remediation Preventive 2010	IMI - EM Grant	Project Based Learning	Refund of Insurance	Liability Insurance Claim	Title I	Title I 2009/2010
Cash and investments - beginning	\$ 34,552	\$ 51,472	\$ -	\$ 10,199	\$ 179,786	\$ 70,729	\$ -	\$ 508,479
Receipts:								
Local sources	-	-	-	73	1,772	-	-	-
State sources	25,544	-	5,656	-	-	-	-	-
Federal sources	-	-	-	-	-	-	1,123,184	110,600
Other	-	-	-	-	-	37,875	-	-
Total receipts	<u>25,544</u>	<u>-</u>	<u>5,656</u>	<u>73</u>	<u>1,772</u>	<u>37,875</u>	<u>1,123,184</u>	<u>110,600</u>
Disbursements:								
Current:								
Instruction	34,552	51,472	5,656	4,559	39,147	-	644,844	86,974
Support services	-	-	-	2,198	6,178	27,926	550,058	196,708
Noninstructional services	-	-	-	-	-	-	29,631	4,270
Facilities acquisition and construction	-	-	-	-	-	16,146	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	2,490	-
Total disbursements	<u>34,552</u>	<u>51,472</u>	<u>5,656</u>	<u>6,757</u>	<u>45,325</u>	<u>44,072</u>	<u>1,227,023</u>	<u>287,952</u>
Excess (deficiency) of receipts over disbursements	<u>(9,008)</u>	<u>(51,472)</u>	<u>-</u>	<u>(6,684)</u>	<u>(43,553)</u>	<u>(6,197)</u>	<u>(103,839)</u>	<u>(177,352)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	34,552	51,472	-	-	-	115	331,123	-
Transfers out	<u>(34,552)</u>	<u>(51,472)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,766)</u>	<u>(48,459)</u>	<u>(331,127)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,651)</u>	<u>282,664</u>	<u>(331,127)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(9,008)</u>	<u>(51,472)</u>	<u>-</u>	<u>(6,684)</u>	<u>(43,553)</u>	<u>(61,848)</u>	<u>178,825</u>	<u>(508,479)</u>
Cash and investments - ending	<u>\$ 25,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,515</u>	<u>\$ 136,233</u>	<u>\$ 8,881</u>	<u>\$ 178,825</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 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 Summer Advantage	Safe and Drug Free 2009-2010	Title II Dwight D. Eisenhower Science and Math Technology Grants	PLTW Pre- Engineering 2010-2011	PLTW Bio Medical 2011-2012	Bio Med Grant 2009/2010	Title II Part A: Improving Teacher	Title II Part A Improving Teacher
Cash and investments - beginning	\$ 550,000	\$ 16,336	\$ 4,888	\$ -	\$ -	\$ (18,817)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	19,617	-	-
Federal sources	-	-	-	15,000	-	-	17,851	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	15,000	-	19,617	17,851	-
Disbursements:								
Current:								
Instruction	500,001	6,336	-	-	-	-	54,154	10,000
Support services	1,834	-	-	5,626	3,200	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	24,374	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	800	-	-
Total disbursements	501,835	6,336	-	30,000	3,200	800	54,154	10,000
Excess (deficiency) of receipts over disbursements	(501,835)	(6,336)	-	(15,000)	(3,200)	18,817	(36,303)	(10,000)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	15,000	3,200	-	36,303	10,000
Transfers out	(48,165)	(10,000)	-	-	-	-	-	-
Total other financing sources (uses)	(48,165)	(10,000)	-	15,000	3,200	-	36,303	10,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(550,000)	(16,336)	-	-	-	18,817	-	-
Cash and investments - ending	\$ -	\$ -	\$ 4,888	\$ -	\$ -	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 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 Part A NCLB	ITQ Enhanced Education Through Technology Title II, Part D	ESL Title III part A	Title III LEP 2010-2011	Title II Part B Math and Science Partnership	Math and Science Partnership	Teacher Incentive Fund	Reading First No Child Left Behind
Cash and investments - beginning	\$ 70,430	\$ (27,297)	\$ 8,380	\$ -	\$ (48,173)	\$ -	\$ -	\$ 529
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	7,501	-	7,410	19,968	159,347	-	7,501	-
Other	-	-	-	-	-	-	-	-
Total receipts	7,501	-	7,410	19,968	159,347	-	7,501	-
Disbursements:								
Current:								
Instruction	60,068	-	15,395	28,597	-	-	-	-
Support services	12,540	-	-	523	168,699	147,622	7,467	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,755	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	395	-	-	-	-	-
Total disbursements	72,608	-	15,790	29,120	168,699	149,377	7,467	-
Excess (deficiency) of receipts over disbursements	(65,107)	-	(8,380)	(9,152)	(9,352)	(149,377)	34	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	27,297	-	9,152	57,525	149,377	-	6,475
Transfers out	-	-	-	-	-	-	-	(7,004)
Total other financing sources (uses)	-	27,297	-	9,152	57,525	149,377	-	(529)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,107)	27,297	(8,380)	-	48,173	-	34	(529)
Cash and investments - ending	\$ 5,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	\$ -

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

	Reading First* 2009/2010	Star Schools Taking Action HS	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Technology	Payroll Withholding Funds	Totals
Cash and investments - beginning	\$ -	\$ 1,928	\$ (178,487)	\$ 500,993	\$ 7,284	\$ 35,406	\$ 18,688	\$ 26,813,727
Receipts:								
Local sources	-	-	8,227	92	-	-	-	24,302,340
State sources	-	-	-	-	-	-	-	41,985,799
Federal sources	20,060	-	426,027	-	-	246,884	-	4,786,654
Other	-	-	-	-	-	-	11,412,634	11,452,545
Total receipts	<u>20,060</u>	<u>-</u>	<u>434,254</u>	<u>92</u>	<u>-</u>	<u>246,884</u>	<u>11,412,634</u>	<u>82,527,338</u>
Disbursements:								
Current:								
Instruction	-	-	80,135	219,825	5,476	-	-	28,839,244
Support services	29,466	-	165,502	95,415	2,128	179,982	-	29,045,269
Noninstructional services	-	-	4,300	-	-	-	-	3,957,191
Facilities acquisition and construction	-	-	-	15,643	-	102,308	-	1,771,113
Debt services	-	-	-	-	-	-	-	19,601,709
Nonprogrammed charges	4,699	-	8,291	-	-	-	11,435,685	12,733,496
Total disbursements	<u>34,165</u>	<u>-</u>	<u>258,228</u>	<u>330,883</u>	<u>7,604</u>	<u>282,290</u>	<u>11,435,685</u>	<u>95,948,022</u>
Excess (deficiency) of receipts over disbursements	<u>(14,105)</u>	<u>-</u>	<u>176,026</u>	<u>(330,791)</u>	<u>(7,604)</u>	<u>(35,406)</u>	<u>(23,051)</u>	<u>(13,420,684)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	4,593
Transfers in	20,580	-	2,461	-	320	-	-	7,133,423
Transfers out	(6,475)	-	-	-	-	-	-	(7,106,126)
Total other financing sources (uses)	<u>14,105</u>	<u>-</u>	<u>2,461</u>	<u>-</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>31,890</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>178,487</u>	<u>(330,791)</u>	<u>(7,284)</u>	<u>(35,406)</u>	<u>(23,051)</u>	<u>(13,388,794)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,928</u>	<u>\$ -</u>	<u>\$ 170,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,363)</u>	<u>\$ 13,424,933</u>



Metropolitan School District
of Decatur Township
5275 Kentucky Avenue
Indianapolis, IN 46221

(317) 856-5265
(317) 856-2156 fax
www.msddecatur.k12.in.us

MSD OF DECATUR TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended 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>
Land	\$ 5,160,292
Buildings	226,960,879
Improvements other than buildings	9,215,451
Machinery and equipment	12,012,364
Construction in progress	-
	<hr/>
Total capital assets not being depreciated	<u>\$ 253,348,986</u>

MSD OF DECATUR TOWNSHIP
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:		
Purchase of Southwest Pavilion	\$ 279,396	\$ 290,919
Copier Leases	332,505	243,868
Claims and judgments		
Tax Anticipation Warrants		
Capital Projects Fund	6,145,000	2,566,278
Transportation Fund	6,045,000	2,523,328
Common School Loans		
A0425	2,300,000	290,000
A0420	836,969	101,134
Notes and loans payable		
Bonds payable:		
General obligation bonds:		
Pension Bond (purpose) (purpose)	4,695,000	774,154
Revenue bonds:		
High School Renovation	136,465,000	9,673,000
Phase I Decatur Middle School	1,450,000	764,800
Phase II Decatur Middle School & Technology	9,790,000	1,144,434
Total debt	<u>\$ 168,338,870</u>	<u>\$ 18,371,913</u>

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
AUDIT RESULTS AND COMMENTS

QUESTIONED COST – PROPERTY TAXES PAID

Based on information presented for audit, the School Corporation failed to record one of their property tax exemptions timely. The exemption relates to a specific property which was acquired by the School Corporation in November of 2006. If the related property tax exemption would have been filed timely with the Marion County Auditor's Office prior to May of 2007 then the School Corporation would have been exempt from paying any property taxes on the property.

The School Corporation did not file for their exemption until May of 2011.

During the audit period, the School Corporation has paid \$279,512.13 in property taxes and \$13,986.78 in penalty to the Marion County Treasurer. The School Corporation made an additional property tax payment in October of 2011 in the amount of \$45,436.50, resulting in total property tax and penalty payments in the amount of \$338,935.41. No additional property taxes should be charged as the exemption filed in May of 2011 will be in effect for the May 2012 property tax cycle. Current officials are seeking a way to refund these payments to the School Corporation.

Below is a summary of the taxes and penalties paid by the School Corporation:

Tax Period	Check Date	Amount
2007 payable 2008 Fall Provisional	01-22-10	\$ 45,439.03
Penalty 2007 payable 2008 Fall Provisional	01-22-10	9,087.80
2008 payable 2009 Spring Tax	01-22-10	48,989.80
2008 payable 2009 Fall Tax	01-22-10	48,989.80
Penalty 2008 payable 2009 Spring Tax	01-22-10	4,898.98
2009 payable 2010 Spring Tax	04-14-10	45,328.50
2009 payable 2010 Fall Tax	10-06-10	45,328.50
2010 payable 2011 Spring Tax	04-29-11	45,436.50
2010 payable 2011 Fall Tax	10-14-11	45,436.50
Total Property Taxes paid		<u>\$ 338,935.41</u>

(See Summary of Questioned Costs, page 64)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

QUESTIONED COST - PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for audit indicated that, in one instance, the amount payable for state income tax withholdings was not remitted timely. Penalties and interest totaling \$13,771.48 were paid to the Indiana Department of Revenue on October 8, 2010, for the late filing of state income tax withholdings from August of 2010.

(See Summary of Questioned Costs, page 64)

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
AUDIT RESULTS AND COMMENTS
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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 Indiana Public School Corporations, Chapter 9)

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance of \$1,701.20 at June 30, 2011. A similar comment appeared in prior Report B35979. A number of previous errors were identified and corrected during the current audit period which reduced the cash necessary to balance to its current level.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPORTING DOCUMENTATION FOR TRAVEL CLAIMS

The School Corporation has credit card and travel policies but the policies and guidelines were not always followed. The credit card policy required submission of an original detailed receipt. The original receipt and/or a detailed receipt were not always provided for inspection.

The travel policy also required all original detailed receipts to be submitted, but in some instances original detailed receipts were not provided. Additionally, there was a separate School Corporation policy for travel expenses related to federal grants. The policy for federal grants limited the tip amount to 15 percent. The School Corporation travel policy for general expenses did not include guidelines for tips. The travel policies or guidelines do not define travel status and what meals are appropriate for in-district meetings.

Credit card and travel claims were tested. We identified the following deficiencies:

- On the majority of claims tested, meals were either reimbursed or charged to the district credit card without adequate supporting documentation. These items totaled \$761.96.
- On the majority of claims tested, meals were paid for in or around Indianapolis totaling \$1,257.33.
- On the claims tested tips were paid in excess of 15 percent. The maximum tip given was 36 percent.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
AUDIT RESULTS AND COMMENTS
(Continued)

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 Indiana Public School Corporations, Chapter 9)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - CLASSROOM LISTS

The School Corporation did not retain the student lists by classroom that support the ADM Count figures for the 2009-2010 and the 2010-2011 school years. The State Board of Accounts' position is that these student lists should be signed by the principals or other administrators at the individual building level and retained for inspection. The School Corporation has made changes designed to retain these records in the future.

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations for the 2010 Budget Year:

Fund	Amount
Retirement/Severance Bond Debt Service	\$ 389,865
Capital Projects	694,640
School Transportation	1,320,677

The School Corporation adopted an additional appropriation ordinance on December 14, 2010, for the Transportation Fund and the School Pension Debt Fund but these actions were denied by the Department of Local Government and Finance.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
AUDIT RESULTS AND COMMENTS
(Continued)

OVERDRAWN CASH BALANCES

The cash balance of the Textbook Rental Fund and Challenger Learning Center Fund were overdrawn throughout the audit period. The cash balance of the Construction Fund was overdrawn in the 2009-2010 school year. A similar comment occurred in prior Report B35979.

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)

PUBLIC WORKS PROJECT NOT ADVERTISED

The School Corporation solicited quotes, as opposed to public advertising for bids, for the renovation of the gym floor at Armstrong Pavilion. The School Corporation did grant the award to the contractor with the lowest quote; however, the project was originally quoted for \$232,820 and this amount exceeds the threshold for soliciting quotes.

Indiana Code 36-1-12-4 states in part:

"(a) This section applies whenever the cost of a public work project will be:

- (1) at least seventy-five thousand dollars (\$75,000) in:
 - (A) a consolidated city or second class city;
 - (B) a county containing a consolidated city or second class city; or
 - (C) a regional water or sewage district established under IC 13-26; or
- (2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1).

(b) The board must comply with the following procedure: . . .

- (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed . . ."

Indiana Code 36-1-12-4.7(a) states:

"This section applies whenever a public work project is estimated to cost:

- (1) except as provided in subdivision (2), at least fifty thousand dollars (\$50,000) and less than one hundred fifty thousand dollars (\$150,000); or
- (2) in the case of a board of aviation commissioners or an airport authority board, at least fifty thousand dollars (\$50,000) and less than one hundred thousand dollars (\$100,000)."

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
AUDIT RESULTS AND COMMENTS
(Continued)

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS
(Applies to Intermediate Learning Center Blue Academy)

A comparison of the records to the bank account indicated cash necessary to balance of \$75 for the Intermediate Learning Center Blue Academy extra-curricular account.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF DECATUR TOWNSHIP, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Metropolitan School District of Decatur Township (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. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2011-1 and 2011-2.

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

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

report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

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

January 25, 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 DECATUR TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

	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	5300	\$ 764,238	\$ 815,393
National School Lunch Program	10.555	5300	1,696,253	1,790,084
Summer Food Service Program for Children	10.559	5300	191,749	224,000
Total for cluster			<u>2,652,240</u>	<u>2,829,477</u>
Child and Adult Care Food Program	10.558	5300	10,061	-
Fresh Fruit and Vegetable Program	10.582	5300	34,050	4,009
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	5300	15,000	-
Total for federal grantor agency			<u>2,711,351</u>	<u>2,833,486</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			
		09-5300	451,636	-
		10-5300	920,514	287,951
		11-5300	-	1,275,483
		Summer	-	550,000
Total for program			<u>1,372,150</u>	<u>2,113,434</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	2009-2011	833,219	258,229
Total for cluster			<u>2,205,369</u>	<u>2,371,663</u>
Educational Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386	2009-2011	34,594	282,290
Education Technology State Grants	84.318	2009-2010	128,623	-
Total for cluster			<u>163,217</u>	<u>282,290</u>
Special Education Cluster				
ARRA - Special Education-Grants to States, Recovery Act	84.391		263,853	330,881
ARRA - Special Education-Preschool Grants, Recovery Act	84.392		21,244	7,604
Total for cluster			<u>285,097</u>	<u>338,485</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		3,072,147	-
Safe and Drug-Free Schools and Communities - State Grants	84.186		17,489	-
			21,827	6,336
Total for program			<u>39,316</u>	<u>6,336</u>

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

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

	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)				
State Fiscal Stabilization Fund Cluster (continued)				
Tech-Prep Education	84.243		18,882	800
			-	15,000
			-	15,000
			-	3,200
Total for program			<u>18,882</u>	<u>34,000</u>
State Grants for Innovative Programs	84.298		<u>1,660</u>	-
Early Reading First	84.359			
		FY 09/10	40,100	-
		Summer	190,665	-
		FY 09/10	63,171	539
			<u>2,337</u>	<u>6,475</u>
Total for program			<u>296,273</u>	<u>7,014</u>
English Language Acquisition Grants	84.365		992	15,790
			-	<u>29,120</u>
Total for program			<u>992</u>	<u>44,910</u>
Mathematics and Science Partnerships	84.366			
			215,096	168,699
		A58-9-09SL-027	-	<u>149,376</u>
Total for program			<u>215,096</u>	<u>318,075</u>
Improving Teacher Quality State Grants	84.367			
		7-5300	131	-
		8-5300	124,006	10,000
		9-5300	99,594	72,607
		10-5300	-	<u>54,154</u>
Total for program			<u>223,731</u>	<u>136,761</u>
<u>Teacher Incentive Fund Cluster</u>				
Teacher Incentive Fund	84.374		-	<u>7,465</u>
Total for federal grantor agency			<u>6,521,780</u>	<u>3,546,999</u>
Total federal awards expended			<u>\$ 9,233,131</u>	<u>\$ 6,380,485</u>

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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 Decatur Township (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	2010	2011
School Breakfast Program	10.553	\$ 51,929	\$ 64,828
National School Lunch Program	10.555	91,520	139,328

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.366	Child Nutrition Cluster Title I, Part A Cluster Special Education Cluster State Fiscal Stabilization Fund Cluster Mathematics and Science Partnerships

Dollar threshold used to distinguish between Type A and Type B programs: \$468,408

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1 - CASH MANAGEMENT - TITLE I

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Project Number: 10-5300
Pass-Through Entity: Indiana Department of Education

Monies received by the School Corporation for the Title I Grants to Local Educational Agencies, Project Number 10-5300 were drawn down in advance. School Corporation Officials were required to review needs and draw down funds monthly as needed in accordance with federal guidelines. The initial drawdown requests were included in the grant application. School Corporation Officials were required to make adjustments to the initial drawdown schedule, if necessary, in order to avoid maintaining excessive cash balances. The cash balance of the grant exceeded 1.5 times the average of monthly expenditures for 10 of the 12 months during 2009-2010 school year. The cash balance of the grant at June 30, 2010, as reported on the fourth quarter report submitted to the Indiana Department of Education, was \$508,478.63, which was approximately 30 percent of the total grant awarded during the audit period. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

We recommended that the School Corporation take steps to insure that excess cash balances are not maintained.

34 CFR 80.20 (b)(7) states:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

FINDING 2011-2 - CASH MANAGEMENT - SPECIAL EDUCATION

Federal Agency: U.S. Department of Education
Federal Program: ARRA - Special Education - Grants to States
CFDA Number: 84.391
Project Number: FY 2009-2011
Pass-Through Entity: Indiana Department of Education

Monies received by the School Corporation for the ARRA - Special Education - Grants to States FY 2009-2011 grant were drawn down in advance. School Corporation Officials were required to review needs and draw funds as needed in accordance with federal guidelines. The initial drawdown requests were included in the grant application. School Corporation Officials were required to make adjustments to the initial drawdown schedule, if necessary, in order to avoid maintaining excessive cash balances. The cash balance of the Special Education grant exceeded 1.5 times the average of monthly expenditures for 11 of the 12

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

months during the 2009-2010 school year. The cash balance of the Special Education grant at June 30, 2010, as reported on the fourth quarter report submitted to the Indiana Department of Education, was \$500,993.21 which was approximately 65 percent of the total grant awarded during the audit period. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

We recommended that the School Corporation take steps to insure that excess cash balances are not maintained.

34 CFR 80.20 (b)(7) states:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



Metropolitan School District
of Decatur Township
5275 Kentucky Avenue
Indianapolis, IN 46221

(317) 856-5265
(317) 856-2165 fax
www.msddecatur.k12.in.us

Response to Finding 2011-1 Cash Management Title I
Audit Period 7-1-09 – 6-30-11
Audittee Contact Kirk Farmer – Chief Financial Officer, Anna Cook – Coordinator of Learning Support
Response Date – December 9, 2011

The finding was from the 2009-2010 school year. Starting with the 2010-2011 school year, we no longer receive cash draw downs. The Department of Education now reimburses the school corporation for actual expenses.

Anna S Cook
An S Cook

December 20, 2011

Finding 2011 – 2:

Internal Control / Cash Management – Special Education

Contact Person: Kirk Farmer
Title of Contact Person: Chief Financial Officer
Contact Number: (317) 856 – 5265
Anticipated Completion Date: Immediately

Corrective Action Plan

The School Corporation no longer receives monthly predetermined cash advances for the “Special Education - Grants to States and Preschool Grants, Recovery Act (2009)” program from the State of Indiana beginning mid-year 2010. The current practice of requesting cash reimbursements from the Indiana Department of Education based on actual expenditures ensure compliance with cash management standards that require a grantee to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.

Sincerely,

Kirk Farmer

Kirk Farmer
Chief Financial Officer

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2012, with W. Kirk Farmer, Treasurer; Donald H. Stinson, Superintendent of Schools; and Donald L. Huffman, President of the School Board. The Official Response has been made a part of this report and may be found on pages 60 through 63 .



Metropolitan School District
of Decatur Township
5275 Kentucky Avenue
Indianapolis, IN 46221

(317) 856-5265
(317) 856-2156 fax
www.msddecatur.k12.in.us

February 3, 2012

Indiana State Board of Accounts
302 W. Washington St., Room E 418
Indianapolis, IN 46204

RE: Official Response to Audit Results and Comments

To Whom It May Concern:

Please allow this letter serve as the official response of the Metropolitan School District of Decatur Township to comments stated in the audit report for the period of July 1, 2009 to June 30, 2011.

Corporation Accounts

Questioned Cost – Property Taxes Paid

Most importantly, as indicated in the audit citing, “no additional property taxes should be charged as the exemption filed in May of 2011 will be in effect for the May 2012 property tax cycle.”

In addition, the School Corporation prepared and filed a Form 133, Petition for Correction of an Error, on January 9, 2012 with the Marion County Auditor’s Office to request a hearing to refund of taxes paid for assessment years 2006, 2007, 2008, 2009, and 2010. The hearing has been scheduled for February 24, 2012 at 9:00 am.

Questioned Cost – Penalties, Interest, and Other Charges

The comment indicates an oversight occurred involving the August 2010 State income tax withholdings, but fails to mention the staff member trained to perform this job duty was out due to medical issues during that reporting period.

The School Corporation transitioned this responsibility to another staff member in the Business Office toward the end of 2011. By doing so, two staff members have been cross-trained to perform this task which will ensure future State income tax withholdings are submitted and paid timely.

Cash Necessary to Balance, Bank Reconciliations

The audit citing documents “a comparison of the records to the bank account indicated cash necessary to balance of \$1,701.20” and “a number of previous errors were identified and corrected during the current audit period which reduced the cash necessary to balance...” These comments clearly indicate management is aware of this issue and has been working to correct it throughout the audit period.

The Chief Financial Officer has monitored this variance to ensure it remains the same from one month to the next. As of the date this response was prepared, a variance of \$1,701.20 has remained consistent for 6 consecutive months when preparing the monthly bank reconciliation. Therefore, a recommendation will be made to the Board of Education to authorize a correcting journal entry to be prepared to bring the records and bank account back into balance.

Appropriations

Most importantly, management was aware of and monitoring the issue as indicated in the audit citing, “The School District adopted an additional appropriation ordinance on December 14, 2010 for the Transportation Fund and the School Pension Debt Fund but these actions were denied by the Department of Local Government Finance.”

During the 2011 budget year, the Chief Financial Officer closely monitored expenditures by utilizing cash flow analysis to ensure they did not exceed appropriations approved by the Department of Local Government Finance.

Overdrawn Cash Balances

The two funds referenced in the comment are the Textbook Rental and Challenger Learning Center Funds. At the June 14, 2011 Board of Education meeting, a Resolution was approved to periodically transfer funds permanently from the General to the Challenger Learning Center Fund until the balance is zero.

Also, management is aware that the Textbook Rental Fund is being routinely overdrawn. The School Corporation feels this is due to circumstances we do not have control over; such as textbooks being purchased in the spring of one school year while fees are not assessed and paid until the next and the socio-economic makeup of our population where free and reduced counts are in excess of 60%.

Average Daily Membership (ADM) – Classroom Lists

As indicated in the audit citing, “The School Corporation has made changes designed to retain these records in the future.” More specifically, we have established proper internal procedures during 2011 to ensure teachers and building principals verify / sign-off on class lists and thus corrected this issue before the exit conference date.

Public Works Project Not Advertised

It is important to note that a process was utilized while planning the project to ensure competitive proposals were obtained and analyzed as indicated in the audit citing, “The School Corporation solicited quotes...for the renovation of the gym floor at Armstrong Pavilion.”

From this point forward, the School Corporation will ensure publication is made in two local newspapers on behalf of the Board of Education when performing public works projects which costs are projected to exceed \$50,000 in accordance with IC 5-3-1.

Supporting Documentation for Travel Claims

The School Corporation will review its current travel policy and make changes as necessary to ensure all issues identified during the audit are addressed. The revised policy will specify the following: 1) Define which conditions result in an employee being in travel status, 2) Procedures to address handling meal purchases when adequate supporting documentation is not presented, 3) Protocol for handling the reimbursement or payment of gratuity that is considered normal and customary.

Extra Curricular Accounts

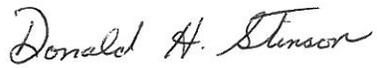
Cash Necessary to Balance, Bank Reconciliations (Blue Academy)

The audit citing documents “a comparison of the records to the bank account indicated cash necessary to balance of \$75.” To correct this issue, the Chief Financial Officer will work closely with the Blue Academy Treasurer to monitor this variance to ensure it is consistent for several months. If this pattern continues, a correcting journal entry will be prepared to bring the records and bank account back into balance.

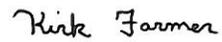
In addition, the School Corporation began conducting semi-annual training sessions for extra-curricular Treasurers in the spring of 2011. At future meetings, procedures on performing monthly bank reconciliations will be discussed to ensure all Treasurers have a complete understanding of this monitoring tool.

If there are any questions regarding the above response, please do not hesitate to contact us at (317) 856-5265. Thank you for the opportunity to respond.

Respectfully submitted,



Donald H. Stinson
Superintendent of Schools



Kirk Farmer
Chief Financial Officer / Treasurer

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
SUMMARY OF QUESTIONED COSTS

Questioned Cost – Property Taxes Paid, page 40	\$ 338,935.41
Questioned Cost – Penalties, Interest, and Other Charges, pages 40 and 41	<u>13,771.48</u>
Total questioned costs	<u>\$ 352,706.89</u>