

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 PERRY TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

03/13/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robert Harris J. Michael Bagley	07-01-09 to 01-15-10 01-16-10 to 06-30-12
Superintendent of Schools	Dr. Thomas Little, Jr.	07-01-09 to 06-30-12
President of the School Board	Steve Maple Charles Mercer Kenneth J. Mertz	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 PERRY TOWNSHIP, MARION COUNTY, INDIANA

We have audited the accompanying financial statement of the Metropolitan School District of Perry 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 this financial statement based on our audit.

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated February 9, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

February 9, 2012



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

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

We have audited the financial statement of the Metropolitan School District of Perry Township (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 9, 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 the 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.

The School Corporation's response to the findings 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

February 9, 2012

FINANCIAL STATEMENT

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

METROPOLITAN SCHOOL DISTRICT OF PERRY 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	\$ (5,238,971)	\$ 89,737,940	\$ 86,092,852	\$ 552,237	\$ (1,041,646)	\$ 90,018,985	\$ 84,571,954	\$ (224,935)	\$ 4,180,450
Debt Service	3,567,017	35,280,968	28,055,909	(4,266,628)	6,525,448	14,324,193	15,244,575	(120,106)	5,484,960
Retirement/Severance Bond Debt Service	91,458	3,816,012	3,765,918	179,031	320,583	2,256,159	2,181,554	39	395,227
Capital Projects	3,237,727	33,150,047	27,213,570	(84,000)	9,090,204	11,351,026	11,713,940	(33,777)	8,693,513
School Transportation	2,263,122	17,258,515	12,625,323	(1,556,387)	5,339,927	8,832,154	10,485,969	(160,907)	3,525,205
School Bus Replacement	1,077,533	475,625	1,900,719	-	(347,561)	1,169,577	-	13	822,029
Special Education Preschool	251,133	240,331	-	(491,464)	-	-	-	-	-
Rainy Day	1,710,292	-	2,403,481	4,279,000	3,585,811	-	2,599,338	-	986,473
Retirement/Severance Bond	4,083,275	1,040,844	2,582,607	-	2,541,512	1,018,608	1,109,852	-	2,450,268
Sixth Grade PMMS	1,936,834	7,585	237,240	-	1,707,179	4,955	-	-	1,712,134
Construction Fund	-	-	-	-	-	3,334	835,772	1,415,044	582,606
School Lunch	394,717	7,246,949	6,634,410	(60,000)	947,256	7,245,929	6,717,947	(150,000)	1,325,238
Textbook Rental	470,411	1,338,972	1,288,160	13,597	534,820	1,116,828	1,148,125	120,289	623,812
Repair and Replacement	195,284	-	10,099	-	185,185	-	8,800	-	176,385
Self-Insurance	655,095	-	696,875	216,813	175,033	500,000	721,224	600,000	553,809
Levy Excess	-	-	-	-	-	167,932	-	-	167,932
Joint Services and Supply - Special Education Cooperative	565,443	9,250,331	9,019,715	(30,000)	766,059	7,960,531	8,129,057	(30,000)	567,533
Rise Transportation	(283,629)	930,797	647,168	-	-	-	-	-	-
Alternative Education	(8,242)	65,451	-	-	57,209	55,595	56,899	-	55,905
Early Intervention Grant	5,463	36,692	16,507	-	25,648	-	25,648	-	-
Safe Haven 10-11	-	11,052	11,052	-	-	1,457	12,194	-	(10,737)
AM Lung Grant	-	10,640	420	-	10,220	-	-	-	10,220
CEE	-	2,000	408	-	1,592	-	1,587	-	5
School Intervention and Career Counseling	45,185	18,599	15,351	-	48,433	600	17,706	-	31,327
CIM 2009/2010	-	39,105	10,443	-	28,662	-	10,557	-	18,105
Lilly II Grant	504,524	-	402,345	-	102,179	-	70,938	-	31,241
Scholarships and Awards	1,187	-	-	-	1,187	-	-	-	1,187
Sum Cash Collaboration	-	-	-	-	-	-	532	(702)	(1,234)
Rock Boys 2010/2011	-	-	-	-	-	4,720	15,644	7,744	(3,180)
Library Grant 08/09	3,952	-	3,952	-	-	-	-	-	-
Indianapolis Foundation 2009/2010	3,291	12,001	11,840	-	3,452	21,000	15,061	-	9,391
Partnership Coca Cola	41,906	15,103	26,794	-	30,215	39,939	4,806	-	65,348
PTEC Task Force	2,009	-	2,009	-	-	-	-	-	-
Edison Gift	25,928	34,700	23,862	-	36,766	32,790	40,707	-	28,849
ASAI Lumina PMHS	4,472	8,158	11,281	-	1,349	7,158	6,372	-	2,135
Principal Leadership Academy	2,037	7,981	7,163	-	2,855	6,980	8,256	-	1,579
Economic Education Mini Grant	10,466	86,691	95,740	-	1,417	85,392	89,329	-	(2,520)
Non-English Speaking Programs P.L. 273-1999	51,971	202,344	192,483	-	61,832	181,342	219,211	-	23,963
School Technology	173,697	337,044	259,388	-	251,353	339,298	353,521	-	237,130

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

METROPOLITAN SCHOOL DISTRICT OF PERRY 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
Technology Plan Buddy	106,954	52,851	97,811	-	61,994	-	61,994	-	-
Technology Planning Grant	108,848	21,250	91,736	-	38,362	-	23,454	-	14,908
21st Century Scholars	8,489	-	8,091	-	398	-	-	-	398
Regional Library Grant	2,400	-	-	-	2,400	-	2,400	-	-
Smart Project	5,474	-	-	-	5,474	-	-	-	5,474
Education Tech	584	-	584	-	-	-	-	-	-
Chin Dictionary	-	-	-	-	-	6,140	2,440	-	3,700
Title I Improvement 2003	639	-	-	-	639	-	-	-	639
Title I Improvement 06/07	98,999	-	84,802	-	14,197	-	-	-	14,197
Title I Basic 2009/2010	385,156	2,918,547	2,995,082	-	308,621	2,604,246	3,117,016	-	(204,149)
Distinguished Scholar	-	-	-	-	-	23,570	23,570	-	-
Title V 2003/2004	-	10,579	9,924	-	655	-	655	-	-
Serve America	(16,787)	69,000	36,932	-	15,281	-	36,294	-	(21,013)
IDEA SP Ed Part B 10-11	250,151	7,340,343	6,796,796	-	793,698	6,004,686	6,913,983	-	(115,599)
IDEA SP Ed Part B	4,900	-	4,000	-	900	-	900	-	-
Preschool Part B 2009	39,929	177,664	209,592	-	8,001	198,237	204,929	-	1,309
Summer School Com 2006	(82,286)	96,045	334	-	13,425	10,530	24,657	702	-
Rock Boys 2009/2010	69,485	40,351	99,334	-	10,502	37,056	31,731	(22,125)	(6,298)
Education for Economic Security	22,719	41,442	56,625	-	7,536	-	21,917	14,381	-
21st Century SHS	7,310	93,859	88,826	-	12,343	-	12,343	-	-
School to Work Opportunity Implementation	(5,268)	3,291	11,617	-	(13,594)	13,594	-	-	-
Class Size Reduction	3,000	7,500	2,500	-	8,000	2,500	11,080	-	(580)
Class Size Reduction II	(44,327)	224,197	193,227	13,357	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	390,194	321,735	(13,357)	55,102	187,809	324,124	-	(81,213)
Title II Support Schools	-	-	-	-	-	40,050	47,825	-	(7,775)
Title III, Language Instruction	57,580	149,450	156,644	-	50,386	135,186	225,251	-	(39,679)
Public Charter School ESEA Title X, Part C	11,534	25,600	42,556	-	(5,422)	36,149	49,632	-	(18,905)
Fiscal Stabilization - Education	6,797,893	2,753,689	9,551,582	-	-	-	-	-	-
Title I - Grants to LEAs	-	1,639,652	1,686,412	-	(46,760)	914,453	930,222	-	(62,529)
Special Education - Part B	-	4,148,616	4,407,401	-	(258,785)	3,365,494	2,508,012	-	598,697
Special Education - Part B - Preschool	-	160,009	143,380	-	16,629	89,774	102,675	-	3,728
Education Technology	-	-	-	-	-	67,069	104,679	-	(37,610)
McKinney - Vento Education for Homeless	-	2,955	2,955	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	1,258,243	1,362,705	-	(104,462)
Payroll Clearing Accounts	898,585	27,973,085	27,942,469	-	929,201	25,687,130	25,607,185	-	1,009,146
Totals	\$ 24,576,548	\$ 249,002,646	\$ 239,308,031	\$ (1,247,801)	\$ 33,023,362	\$ 187,428,398	\$ 188,168,748	\$ 1,415,660	\$ 33,698,672

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

METROPOLITAN SCHOOL DISTRICT OF PERRY 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, transfer tuition, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

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, and revenue for or on behalf of the School Corporation.

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

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

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include 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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

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

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

METROPOLITAN SCHOOL DISTRICT OF PERRY 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 PERRY 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 settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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 PERRY 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.

METROPOLITAN SCHOOL DISTRICT OF PERRY 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/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	Sixth Grade PMMS
Cash and investments - beginning	\$ (5,238,971)	\$ 3,567,017	\$ 91,458	\$ 3,237,727	\$ 2,263,122	\$ 1,077,533	\$ 251,133	\$ 1,710,292	\$ 4,083,275	\$ 1,936,834
Receipts:										
Local sources	1,440,578	35,280,968	3,399,334	30,973,656	13,414,528	475,625	5,206	-	1,040,844	7,585
State sources	86,058,797	-	-	-	2,110,502	-	235,125	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	2,238,565	-	416,678	2,176,391	1,733,485	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	89,737,940	35,280,968	3,816,012	33,150,047	17,258,515	475,625	240,331	-	1,040,844	7,585
Disbursements:										
Current:										
Instruction	39,104,100	-	-	-	-	-	-	-	-	-
Support services	38,612,160	-	-	4,818,057	8,480,508	1,477,500	-	202,543	2,582,607	-
Noninstructional services	750,775	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	20,447	-	-	6,839,363	-	-	-	-	-	237,240
Debt services	1,700,000	28,055,909	3,765,918	15,556,150	4,144,815	423,219	-	2,200,938	-	-
Nonprogrammed charges	5,905,370	-	-	-	-	-	-	-	-	-
Total disbursements	86,092,852	28,055,909	3,765,918	27,213,570	12,625,323	1,900,719	-	2,403,481	2,582,607	237,240
Excess (deficiency) of receipts over disbursements	3,645,088	7,225,059	50,094	5,936,477	4,633,192	(1,425,094)	240,331	(2,403,481)	(1,541,763)	(229,655)
Other financing sources (uses):										
Transfers in	552,237	-	179,031	-	-	-	-	4,279,000	-	-
Transfers out	-	(4,266,628)	-	(84,000)	(1,556,387)	-	(491,464)	-	-	-
Total other financing sources (uses)	552,237	(4,266,628)	179,031	(84,000)	(1,556,387)	-	(491,464)	4,279,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,197,325	2,958,431	229,125	5,852,477	3,076,805	(1,425,094)	(251,133)	1,875,519	(1,541,763)	(229,655)
Cash and investments - ending	\$ (1,041,646)	\$ 6,525,448	\$ 320,583	\$ 9,090,204	\$ 5,339,927	\$ (347,561)	\$ -	\$ 3,585,811	\$ 2,541,512	\$ 1,707,179

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	School Lunch	Textbook Rental	Repair and Replacement	Self-Insurance	Joint Services and Supply - Special Education Cooperative	Rise Transportation	Alternative Education	Early Intervention Grant	Safe Haven 10-11	AM Lung Grant
Cash and investments - beginning	\$ 394,717	\$ 470,411	\$ 195,284	\$ 655,095	\$ 565,443	\$ (283,629)	\$ (8,242)	\$ 5,463	\$ -	\$ -
Receipts:										
Local sources	2,778,058	587,976	-	-	8,962,454	930,797	-	-	-	-
State sources	67,651	750,996	-	-	287,877	-	65,451	36,692	11,052	10,640
Federal sources	4,401,240	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>7,246,949</u>	<u>1,338,972</u>	<u>-</u>	<u>-</u>	<u>9,250,331</u>	<u>930,797</u>	<u>65,451</u>	<u>36,692</u>	<u>11,052</u>	<u>10,640</u>
Disbursements:										
Current:										
Instruction	-	-	-	-	5,337,204	-	-	5,410	-	-
Support services	765,030	1,288,160	10,099	696,875	3,682,511	647,168	-	9,879	11,052	420
Noninstructional services	5,869,380	-	-	-	-	-	-	1,218	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>6,634,410</u>	<u>1,288,160</u>	<u>10,099</u>	<u>696,875</u>	<u>9,019,715</u>	<u>647,168</u>	<u>-</u>	<u>16,507</u>	<u>11,052</u>	<u>420</u>
Excess (deficiency) of receipts over disbursements	<u>612,539</u>	<u>50,812</u>	<u>(10,099)</u>	<u>(696,875)</u>	<u>230,616</u>	<u>283,629</u>	<u>65,451</u>	<u>20,185</u>	<u>-</u>	<u>10,220</u>
Other financing sources (uses):										
Transfers in	-	13,597	-	216,813	-	-	-	-	-	-
Transfers out	(60,000)	-	-	-	(30,000)	-	-	-	-	-
Total other financing sources (uses)	<u>(60,000)</u>	<u>13,597</u>	<u>-</u>	<u>216,813</u>	<u>(30,000)</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>552,539</u>	<u>64,409</u>	<u>(10,099)</u>	<u>(480,062)</u>	<u>200,616</u>	<u>283,629</u>	<u>65,451</u>	<u>20,185</u>	<u>-</u>	<u>10,220</u>
Cash and investments - ending	<u>\$ 947,256</u>	<u>\$ 534,820</u>	<u>\$ 185,185</u>	<u>\$ 175,033</u>	<u>\$ 766,059</u>	<u>\$ -</u>	<u>\$ 57,209</u>	<u>\$ 25,648</u>	<u>\$ -</u>	<u>\$ 10,220</u>

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	CEE	School Intervention and Career Counseling	CIM 2009/2010	Lilly II Grant	Scholarships and Awards	Library Grant 08/09	Indianapolis Foundation 2009/2010	Partnership Coca Cola	PTEC Task Force	Edison Gift
Cash and investments - beginning	\$ -	\$ 45,185	\$ -	\$ 504,524	\$ 1,187	\$ 3,952	\$ 3,291	\$ 41,906	\$ 2,009	\$ 25,928
Receipts:										
Local sources	2,000	4,799	1,198	-	-	-	12,001	15,103	-	34,700
State sources	-	13,800	37,907	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,000</u>	<u>18,599</u>	<u>39,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,001</u>	<u>15,103</u>	<u>-</u>	<u>34,700</u>
Disbursements:										
Current:										
Instruction	-	7,239	3,281	-	-	-	-	-	-	-
Support services	408	8,112	7,162	402,345	-	3,952	11,840	26,794	-	23,862
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,009	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>408</u>	<u>15,351</u>	<u>10,443</u>	<u>402,345</u>	<u>-</u>	<u>3,952</u>	<u>11,840</u>	<u>26,794</u>	<u>2,009</u>	<u>23,862</u>
Excess (deficiency) of receipts over disbursements	<u>1,592</u>	<u>3,248</u>	<u>28,662</u>	<u>(402,345)</u>	<u>-</u>	<u>(3,952)</u>	<u>161</u>	<u>(11,691)</u>	<u>(2,009)</u>	<u>10,838</u>
Other financing sources (uses):										
Transfers in	-	38,952	-	-	-	-	-	-	-	-
Transfers out	-	(38,952)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,592</u>	<u>3,248</u>	<u>28,662</u>	<u>(402,345)</u>	<u>-</u>	<u>(3,952)</u>	<u>161</u>	<u>(11,691)</u>	<u>(2,009)</u>	<u>10,838</u>
Cash and investments - ending	<u>\$ 1,592</u>	<u>\$ 48,433</u>	<u>\$ 28,662</u>	<u>\$ 102,179</u>	<u>\$ 1,187</u>	<u>\$ -</u>	<u>\$ 3,452</u>	<u>\$ 30,215</u>	<u>\$ -</u>	<u>\$ 36,766</u>

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	ASAI Lumina PMHS	Principal Leadership Academy	Economic Education Mini Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Plan Buddy	Technology Planning Grant	21st Century Scholars	Regional Library Grant
Cash and investments - beginning	\$ 4,472	\$ 2,037	\$ 10,466	\$ 51,971	\$ 173,697	\$ 106,954	\$ 108,848	\$ 8,489	\$ 2,400
Receipts:									
Local sources	8,158	7,981	-	-	337,044	52,851	-	-	-
State sources	-	-	86,691	202,344	-	-	21,250	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	8,158	7,981	86,691	202,344	337,044	52,851	21,250	-	-
Disbursements:									
Current:									
Instruction	-	-	95,740	144,927	-	-	-	-	-
Support services	11,281	7,163	-	47,226	259,388	97,811	91,736	8,091	-
Noninstructional services	-	-	-	330	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,281	7,163	95,740	192,483	259,388	97,811	91,736	8,091	-
Excess (deficiency) of receipts over disbursements	(3,123)	818	(9,049)	9,861	77,656	(44,960)	(70,486)	(8,091)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,123)	818	(9,049)	9,861	77,656	(44,960)	(70,486)	(8,091)	-
Cash and investments - ending	\$ 1,349	\$ 2,855	\$ 1,417	\$ 61,832	\$ 251,353	\$ 61,994	\$ 38,362	\$ 398	\$ 2,400

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	Smart Project	Education Tech	Title I Improvement 2003	Title I Improvement 06/07	Title I Basic 2009/2010	Title V 2003/2004	Serve America	IDEA SP Ed Part B 10-11	IDEA SP ED Part B
Cash and investments - beginning	\$ 5,474	\$ 584	\$ 639	\$ 98,999	\$ 385,156	\$ -	\$ (16,787)	\$ 250,151	\$ 4,900
Receipts:									
Local sources	-	-	-	-	32,445	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	2,886,102	10,579	69,000	7,340,343	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	2,918,547	10,579	69,000	7,340,343	-
Disbursements:									
Current:									
Instruction	-	-	-	33,303	2,232,000	-	-	3,473,741	4,000
Support services	-	584	-	50,396	697,433	9,924	36,932	3,323,055	-
Noninstructional services	-	-	-	1,103	48,639	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	17,010	-	-	-	-
Total disbursements	-	584	-	84,802	2,995,082	9,924	36,932	6,796,796	4,000
Excess (deficiency) of receipts over disbursements	-	(584)	-	(84,802)	(76,535)	655	32,068	543,547	(4,000)
Other financing sources (uses):									
Transfers in	-	-	-	-	153,881	-	-	-	-
Transfers out	-	-	-	-	(153,881)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(584)	-	(84,802)	(76,535)	655	32,068	543,547	(4,000)
Cash and investments - ending	\$ 5,474	\$ -	\$ 639	\$ 14,197	\$ 308,621	\$ 655	\$ 15,281	\$ 793,698	\$ 900

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	Preschool Part B 2009	Summer School Com 2006	Rock Boys 2009/2010	Education for Economic Security	21st Century SHS	School to Work Opportunity Implementation	Class Size Reduction	Class Size Reduction II	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ 39,929	\$ (82,286)	\$ 69,485	\$ 22,719	\$ 7,310	\$ (5,268)	\$ 3,000	\$ (44,327)	\$ -
Receipts:									
Local sources	-	-	-	-	93,859	-	-	-	-
State sources	-	-	-	-	-	3,291	-	-	-
Federal sources	177,664	96,045	40,351	41,442	-	-	7,500	224,197	390,194
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	177,664	96,045	40,351	41,442	93,859	3,291	7,500	224,197	390,194
Disbursements:									
Current:									
Instruction	200,859	-	-	-	-	-	-	193,227	218,387
Support services	8,733	-	2,922	56,625	88,826	11,617	2,500	-	103,348
Noninstructional services	-	334	96,412	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	209,592	334	99,334	56,625	88,826	11,617	2,500	193,227	321,735
Excess (deficiency) of receipts over disbursements	(31,928)	95,711	(58,983)	(15,183)	5,033	(8,326)	5,000	30,970	68,459
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	13,357	-
Transfers out	-	-	-	-	-	-	-	-	(13,357)
Total other financing sources (uses)	-	-	-	-	-	-	-	13,357	(13,357)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,928)	95,711	(58,983)	(15,183)	5,033	(8,326)	5,000	44,327	55,102
Cash and investments - ending	\$ 8,001	\$ 13,425	\$ 10,502	\$ 7,536	\$ 12,343	\$ (13,594)	\$ 8,000	\$ -	\$ 55,102

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	Title III Language Instruction	Public Charter School ESEA Title X Part C	Fiscal Stabilization Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	McKinney Vento Education for Homeless	Payroll Clearing Accounts	Totals
Cash and investments - beginning	\$ 57,580	\$ 11,534	\$ 6,797,893	\$ -	\$ -	\$ -	\$ -	\$ 898,585	\$ 24,576,548
Receipts:									
Local sources	-	-	-	36,699	-	-	-	-	99,936,447
State sources	-	-	-	-	-	-	-	-	90,000,066
Federal sources	149,450	25,600	2,753,689	1,602,953	4,148,616	160,009	2,955	-	24,527,929
Temporary loans	-	-	-	-	-	-	-	-	6,565,119
Other	-	-	-	-	-	-	-	27,973,085	27,973,085
Total receipts	149,450	25,600	2,753,689	1,639,652	4,148,616	160,009	2,955	27,973,085	249,002,646
Disbursements:									
Current:									
Instruction	59,059	42,556	6,909,503	1,277,312	1,756,994	94,636	-	-	61,193,478
Support services	88,319	-	2,534,977	350,758	1,206,748	-	2,955	-	72,868,392
Noninstructional services	9,266	-	107,102	38,342	-	-	-	-	6,922,901
Facilities acquisition and construction	-	-	-	-	-	-	-	-	7,099,059
Debt services	-	-	-	-	-	-	-	-	55,846,949
Nonprogrammed charges	-	-	-	20,000	1,443,659	48,744	-	27,942,469	35,377,252
Total disbursements	156,644	42,556	9,551,582	1,686,412	4,407,401	143,380	2,955	27,942,469	239,308,031
Excess (deficiency) of receipts over disbursements	(7,194)	(16,956)	(6,797,893)	(46,760)	(258,785)	16,629	-	30,616	9,694,615
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	5,446,868
Transfers out	-	-	-	-	-	-	-	-	(6,694,669)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(1,247,801)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,194)	(16,956)	(6,797,893)	(46,760)	(258,785)	16,629	-	30,616	8,446,814
Cash and investments - ending	\$ 50,386	\$ (5,422)	\$ -	\$ (46,760)	\$ (258,785)	\$ 16,629	\$ -	\$ 929,201	\$ 33,023,362

METROPOLITAN SCHOOL DISTRICT OF PERRY 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	Retirement/ Severance Bond	Sixth Grade PMMS	Construction Fund
Cash and investments - beginning	\$ (1,041,646)	\$ 6,525,448	\$ 320,583	\$ 9,090,204	\$ 5,339,927	\$ (347,561)	\$ 3,585,811	\$ 2,541,512	\$ 1,707,179	\$ -
Receipts:										
Local sources	660,139	14,324,193	2,256,159	11,351,026	7,280,353	1,169,577	-	1,018,608	4,955	3,334
State sources	89,358,846	-	-	-	1,551,801	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	90,018,985	14,324,193	2,256,159	11,351,026	8,832,154	1,169,577	-	1,018,608	4,955	3,334
Disbursements:										
Current:										
Instruction	41,104,779	-	-	-	-	-	-	-	-	-
Support services	37,278,815	-	-	4,987,457	8,752,484	-	360,000	1,109,852	-	-
Noninstructional services	776,815	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	3,550	-	-	4,550,092	-	-	-	-	-	835,772
Debt services	-	15,244,575	2,181,554	2,176,391	1,733,485	-	2,239,338	-	-	-
Nonprogrammed charges	5,407,995	-	-	-	-	-	-	-	-	-
Total disbursements	84,571,954	15,244,575	2,181,554	11,713,940	10,485,969	-	2,599,338	1,109,852	-	835,772
Excess (deficiency) of receipts over disbursements	5,447,031	(920,382)	74,605	(362,914)	(1,653,815)	1,169,577	(2,599,338)	(91,244)	4,955	(832,438)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	1,415,044
Sale of capital assets	65	183	39	197	119	13	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(225,000)	(120,289)	-	(33,974)	(161,026)	-	-	-	-	-
Total other financing sources (uses)	(224,935)	(120,106)	39	(33,777)	(160,907)	13	-	-	-	1,415,044
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,222,096	(1,040,488)	74,644	(396,691)	(1,814,722)	1,169,590	(2,599,338)	(91,244)	4,955	582,606
Cash and investments - ending	\$ 4,180,450	\$ 5,484,960	\$ 395,227	\$ 8,693,513	\$ 3,525,205	\$ 822,029	\$ 986,473	\$ 2,450,268	\$ 1,712,134	\$ 582,606

METROPOLITAN SCHOOL DISTRICT OF PERRY 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	Repair and Replacement	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Alternative Education	Early Intervention Grant	Safe Haven 10-11	AM Lung Grant
Cash and investments - beginning	\$ 947,256	\$ 534,820	\$ 185,185	\$ 175,033	\$ -	\$ 766,059	\$ 57,209	\$ 25,648	\$ -	\$ 10,220
Receipts:										
Local sources	2,493,740	428,271	-	500,000	167,932	7,877,666	-	-	-	-
State sources	63,312	688,557	-	-	-	82,865	55,595	-	1,457	-
Federal sources	4,688,877	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	7,245,929	1,116,828	-	500,000	167,932	7,960,531	55,595	-	1,457	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	5,340,599	56,899	-	-	-
Support services	801,469	1,148,125	8,800	721,224	-	2,788,458	-	25,648	12,194	-
Noninstructional services	5,916,478	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,717,947	1,148,125	8,800	721,224	-	8,129,057	56,899	25,648	12,194	-
Excess (deficiency) of receipts over disbursements	527,982	(31,297)	(8,800)	(221,224)	167,932	(168,526)	(1,304)	(25,648)	(10,737)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	120,289	-	600,000	-	-	-	-	-	-
Transfers out	(150,000)	-	-	-	-	(30,000)	-	-	-	-
Total other financing sources (uses)	(150,000)	120,289	-	600,000	-	(30,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	377,982	88,992	(8,800)	378,776	167,932	(198,526)	(1,304)	(25,648)	(10,737)	-
Cash and investments - ending	\$ 1,325,238	\$ 623,812	\$ 176,385	\$ 553,809	\$ 167,932	\$ 567,533	\$ 55,905	\$ -	\$ (10,737)	\$ 10,220

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	CEE	School Intervention and Career Counseling	CIM 2009/2010	Lilly II Grant	Scholarships and Awards	Sum Cash Collaboration	Rock Boys 2010/2011	Indianapolis Foundation 2009/2010	Partnership Coca Cola	Edison Gift
Cash and investments - beginning	\$ 1,592	\$ 48,433	\$ 28,662	\$ 102,179	\$ 1,187	\$ -	\$ -	\$ 3,452	\$ 30,215	\$ 36,766
Receipts:										
Local sources	-	600	-	-	-	-	-	21,000	39,939	32,790
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	4,720	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	600	-	-	-	-	4,720	21,000	39,939	32,790
Disbursements:										
Current:										
Instruction	-	7,602	7,799	-	-	-	-	-	-	-
Support services	1,587	10,104	2,758	70,938	-	-	-	15,061	4,806	40,707
Noninstructional services	-	-	-	-	-	532	15,644	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,587	17,706	10,557	70,938	-	532	15,644	15,061	4,806	40,707
Excess (deficiency) of receipts over disbursements	(1,587)	(17,106)	(10,557)	(70,938)	-	(532)	(10,924)	5,939	35,133	(7,917)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	43,381	-	-	-	-	7,744	-	-	-
Transfers out	-	(43,381)	-	-	-	(702)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(702)	7,744	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,587)	(17,106)	(10,557)	(70,938)	-	(1,234)	(3,180)	5,939	35,133	(7,917)
Cash and investments - ending	\$ 5	\$ 31,327	\$ 18,105	\$ 31,241	\$ 1,187	\$ (1,234)	\$ (3,180)	\$ 9,391	\$ 65,348	\$ 28,849

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	ASAI Lumina PMHS	Principal Leadership Academy	Economic Education Mini Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Plan Buddy	Technology Planning Grant	21st Century Scholars	Regional Library Grant	Smart Project
Cash and investments - beginning	\$ 1,349	\$ 2,855	\$ 1,417	\$ 61,832	\$ 251,353	\$ 61,994	\$ 38,362	\$ 398	\$ 2,400	\$ 5,474
Receipts:										
Local sources	7,158	6,980	-	-	339,298	-	-	-	-	-
State sources	-	-	85,392	181,342	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	7,158	6,980	85,392	181,342	339,298	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	-	89,329	204,592	-	-	-	-	-	-
Support services	6,372	8,256	-	14,211	353,521	61,994	23,454	-	2,400	-
Noninstructional services	-	-	-	408	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,372	8,256	89,329	219,211	353,521	61,994	23,454	-	2,400	-
Excess (deficiency) of receipts over disbursements	786	(1,276)	(3,937)	(37,869)	(14,223)	(61,994)	(23,454)	-	(2,400)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	786	(1,276)	(3,937)	(37,869)	(14,223)	(61,994)	(23,454)	-	(2,400)	-
Cash and investments - ending	\$ 2,135	\$ 1,579	\$ (2,520)	\$ 23,963	\$ 237,130	\$ -	\$ 14,908	\$ 398	\$ -	\$ 5,474

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	Chin Dictionary	Title I Improvement 2003	Title I Improvement 06/07	Title I Basic 2009/2010	Distinguished Scholar	Title V 2003/2004	Serve America	IDEA SP Ed Part B 10-11	IDEA SP ED Part B
Cash and investments - beginning	\$ -	\$ 639	\$ 14,197	\$ 308,621	\$ -	\$ 655	\$ 15,281	\$ 793,698	\$ 900
Receipts:									
Local sources	-	-	-	32,954	-	-	-	-	-
State sources	6,140	-	-	-	-	-	-	-	-
Federal sources	-	-	-	2,571,292	23,570	-	-	6,004,686	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	6,140	-	-	2,604,246	23,570	-	-	6,004,686	-
Disbursements:									
Current:									
Instruction	-	-	-	2,366,807	-	-	-	3,745,012	-
Support services	2,440	-	-	670,706	23,570	655	36,294	3,168,971	900
Noninstructional services	-	-	-	45,168	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	34,335	-	-	-	-	-
Total disbursements	2,440	-	-	3,117,016	23,570	655	36,294	6,913,983	900
Excess (deficiency) of receipts over disbursements	3,700	-	-	(512,770)	-	(655)	(36,294)	(909,297)	(900)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	251,470	-	-	9,174	-	-
Transfers out	-	-	-	(251,470)	-	-	(9,174)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,700	-	-	(512,770)	-	(655)	(36,294)	(909,297)	(900)
Cash and investments - ending	\$ 3,700	\$ 639	\$ 14,197	\$ (204,149)	\$ -	\$ -	\$ (21,013)	\$ (115,599)	\$ -

METROPOLITAN SCHOOL DISTRICT OF PERRY 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)

	Preschool Part B 2009	Summer School Com 2006	Rock Boys 2009/2010	Education for Economic Security	21st Century SHS	School to Work Opportunity Implementation	Class Size Reduction	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Support Schools
Cash and investments - beginning	\$ 8,001	\$ 13,425	\$ 10,502	\$ 7,536	\$ 12,343	\$ (13,594)	\$ 8,000	\$ 55,102	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	13,594	-	-	-
Federal sources	198,237	10,530	37,056	-	-	-	2,500	187,809	40,050
Other	-	-	-	-	-	-	-	-	-
Total receipts	198,237	10,530	37,056	-	-	13,594	2,500	187,809	40,050
Disbursements:									
Current:									
Instruction	204,929	-	-	-	-	-	-	310,411	-
Support services	-	-	16,001	21,917	12,343	-	11,080	13,713	47,825
Noninstructional services	-	24,657	15,730	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	204,929	24,657	31,731	21,917	12,343	-	11,080	324,124	47,825
Excess (deficiency) of receipts over disbursements	(6,692)	(14,127)	5,325	(21,917)	(12,343)	13,594	(8,580)	(136,315)	(7,775)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	702	-	14,381	-	-	-	-	-
Transfers out	-	-	(22,125)	-	-	-	-	-	-
Total other financing sources (uses)	-	702	(22,125)	14,381	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,692)	(13,425)	(16,800)	(7,536)	(12,343)	13,594	(8,580)	(136,315)	(7,775)
Cash and investments - ending	\$ 1,309	\$ -	\$ (6,298)	\$ -	\$ -	\$ -	\$ (580)	\$ (81,213)	\$ (7,775)

METROPOLITAN SCHOOL DISTRICT OF PERRY 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 III Language Instruction	Public Charter School ESEA Title X Part C	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Education Technology	Education Jobs	Payroll Clearing Accounts	Totals
Cash and investments - beginning	\$ 50,386	\$ (5,422)	\$ (46,760)	\$ (258,785)	\$ 16,629	\$ -	\$ -	\$ 929,201	\$ 33,023,362
Receipts:									
Local sources	-	-	1,598	-	-	-	-	-	50,018,270
State sources	-	-	-	-	-	-	-	-	92,088,901
Federal sources	135,186	36,149	912,855	3,365,494	89,774	67,069	1,258,243	-	19,634,097
Other	-	-	-	-	-	-	-	25,687,130	25,687,130
Total receipts	135,186	36,149	914,453	3,365,494	89,774	67,069	1,258,243	25,687,130	187,428,398
Disbursements:									
Current:									
Instruction	145,809	49,632	300,434	1,619,814	102,675	-	1,362,705	-	57,019,827
Support services	76,267	-	590,107	641,210	-	104,679	-	-	64,049,373
Noninstructional services	3,175	-	39,681	-	-	-	-	-	6,838,288
Facilities acquisition and construction	-	-	-	-	-	-	-	-	5,389,414
Debt services	-	-	-	-	-	-	-	-	23,575,343
Nonprogrammed charges	-	-	-	246,988	-	-	-	25,607,185	31,296,503
Total disbursements	225,251	49,632	930,222	2,508,012	102,675	104,679	1,362,705	25,607,185	188,168,748
Excess (deficiency) of receipts over disbursements	(90,065)	(13,483)	(15,769)	857,482	(12,901)	(37,610)	(104,462)	79,945	(740,350)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	1,415,044
Sale of capital assets	-	-	-	-	-	-	-	-	616
Transfers in	-	-	888,653	-	-	-	-	-	1,935,794
Transfers out	-	-	(888,653)	-	-	-	-	-	(1,935,794)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,415,660
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(90,065)	(13,483)	(15,769)	857,482	(12,901)	(37,610)	(104,462)	79,945	675,310
Cash and investments - ending	\$ (39,679)	\$ (18,905)	\$ (62,529)	\$ 598,697	\$ 3,728	\$ (37,610)	\$ (104,462)	\$ 1,009,146	\$ 33,698,672

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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

	Ending Balance
Primary Government:	
Land	\$ 6,637,500
Buildings	222,618,881
Improvements other than buildings	29,898,229
Machinery and equipment	<u>41,314,318</u>
Total capital assets	<u>\$ 300,468,928</u>



METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP

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"Engagement of Students is Our Priority"

MSD OF PERRY TOWNSHIP SUPPLEMENTARY INFORMATION SCHEDULE OF LONG-TERM DEBT 30-Jun-11

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
Southport and Perry Meridian Middle	\$ 12,130,000	\$ 3,440,165
Jeremiah Gray-Edison Elementary	39,905,000	5,763,438
Rosa Parks-Edison Elementary	11,135,000	1,891,800
Southport and Perry 6th Grade Academies	28,485,000	2,892,138
Central-Nine (2007)	1,492,269	257,246
Centra-Nine (2009)	1,602,575	218,241
General obligation bonds:		
Technology Equipment	720,000	723,600
Pension Debt	19,120,000	2,180,168
Total Debt	\$ 114,589,844	\$ 17,366,795

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
AUDIT RESULTS AND COMMENTS

SALES TAX

One claim was examined in which \$1,602.32 in sales tax was paid by the School Corporation.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

DEPOSITS

Our review of internal controls over receipts and deposits identified that the School Corporation was not depositing daily. We tested the month of March 2011 and found many collections not deposited within the next business day. During the month of March, money was deposited on March 4, 2011, and March 24, 2011, only.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

ECA DEPOSITS (Applies to Perry Meridian High School)

Receipts were not always deposited within a reasonable time. Fifty-four days passed between deposits made on June 2, 2010, and July 26, 2010. The amount of accumulated monies deposited on July 26, 2010, was \$20,061.35.

Indiana Code 20-41-1-9(a) states in part: ". . . The receipts shall be deposited without unreasonable delay . . ."

ECA DEPOSITS (Applies to Perry Meridian 6th Grade Academy)

One receipt reviewed was not deposited within a reasonable period of time. The receipt was written on March 8, 2010, and deposited on April 6, 2010. The amount of monies deposited was \$128. A similar comment appeared in prior Report B32898.

Indiana Code 20-41-1-9(a) states in part: ". . . The receipts shall be deposited without unreasonable delay . . ."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Compliance

We have audited the compliance of the Metropolitan School District of Perry 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 item 2011-1.

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

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

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be material weaknesses.

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

February 9, 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 PERRY TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	5340	\$ 926,466	\$ 1,009,874
National School Lunch Program	10.555	5340	3,526,064	3,993,793
Special Milk Program for Children	10.556	5340	4,091	2,997
Summer Food Service Program for Children	10.559	5340	12,270	113,877
Total for cluster			<u>4,468,891</u>	<u>5,120,541</u>
Fresh Fruit and Vegetable Program	10.582	5340	3,249	42,810
Total for federal grantor agency			<u>4,472,140</u>	<u>5,163,351</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010	08-5340	84,802	-
		09-5340	528,824	-
		10-5340	2,620,141	504,625
		10-5340	-	2,863,857
		11-5340	-	23,570
Total for program			<u>3,233,767</u>	<u>3,392,052</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	5340 - 2010-2011	1,686,412	170,771
		5340 - 2009-2010	-	759,450
Total for program			<u>1,686,412</u>	<u>930,221</u>
Total for cluster			<u>4,920,179</u>	<u>4,322,273</u>
Special Education Cluster				
Special Education - Grants to States				
	84.027	14208-054-DY01	4,000	900
		14209-053-PN01	1,409,219	-
		FY 2009 prt B	5,387,585	1,502,636
		14211-053-PN01	-	5,411,344
Total for program			<u>6,800,804</u>	<u>6,914,880</u>
Special Education - Preschool Grants	84.173	45709-053-PN01	39,929	-
		45710-053-PN01	169,662	43,532
		45711-053-PN01	-	161,396
Total for program			<u>209,591</u>	<u>204,928</u>
ARRA - Special Education-Grants to States, Recovery Act	84.391	33310.053.SN01	4,407,400	2,508,014
ARRA - Special Education-Preschool Grants, Recovery Act	84.392	44410-053-SN01	143,380	102,677
Total for cluster			<u>11,561,175</u>	<u>9,730,499</u>
Educational Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386	5386A090014	-	104,678
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 2010 5340	7,764,352	-
		FY 2010 5340	1,787,230	-
Total for cluster			<u>9,551,582</u>	<u>-</u>
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States				
	84.048	CPR-8-80	-	3,000
		C1-1CPR-0-80	2,500	7,500
		FY 2011	-	580
Total for program			<u>2,500</u>	<u>11,080</u>

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		09-5340	23,523	-
		10-5340	33,102	7,536
		11-5340	-	30,382
Total for program			<u>56,625</u>	<u>37,918</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243			
		CI-9-PLTW-8-80	1,291	-
		CI-10-PLTW-9-80	13,594	-
Total for program			<u>14,885</u>	<u>-</u>
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287			
		FY 2007-5340	720	-
		FY 2010-5340	88,106	12,343
Total for program			<u>88,826</u>	<u>12,343</u>
State Grants for Innovative Programs	84.298	09/10 -5340	9,924	655
English Language Acquisition Grants	84.365			
		01111.059.PN01	57,580	-
		01111.059.PN01	99,064	50,386
		01111.059.PN01	-	174,864
Total for program			<u>156,644</u>	<u>225,250</u>
Improving Teacher Quality State Grants	84.367			
		SY 07/08	4,107	-
		SY 08/09	440,092	-
		SY 09/10	37,420	354,451
		SY 10/11	-	3,016
		OSF FY10	-	47,825
Total for program			<u>481,619</u>	<u>405,292</u>
Education of Homeless Children and Youth Cluster ARRA - Education of Homeless Children and Youth, Recovery Act	84.387	079589008	2,955	-
ARRA - Education Jobs Fund	84.410	10/11- 5340	-	1,362,705
Total for federal grantor agency			<u>26,846,914</u>	<u>16,212,693</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Education Refugee and Entrant Assistance - Voluntary Agency Programs	93.567			
			11,534	-
		76711.003.PN.01	31,022	8,978
		76711.003.PN.01	-	40,654
Total for federal grantor agency			<u>42,556</u>	<u>49,632</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004			
			8,213	-
			28,719	15,281
			-	30,187
Total for federal grantor agency			<u>36,932</u>	<u>45,468</u>
Total federal awards expended			<u>\$ 31,398,542</u>	<u>\$ 21,471,144</u>

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

METROPOLITAN SCHOOL DISTRICT OF PERRY 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 Perry 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 corporation shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	2010	2011
Special Education - Grants to States, Recovery Act	84.391	\$ 1,443,659	\$ 246,988
Special Education – Preschool Grants, Recovery Act	84.392	48,744	-

Note 3. Noncash Assistance

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

Program Title	Federal CFDA Number	2010	2011
National School Lunch Program	10.555	\$ 372,836	\$ 400,224

METROPOLITAN SCHOOL DISTRICT OF PERRY 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 deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster
Title I, Part A Cluster
Special Education Cluster
State Fiscal Stabilization Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$1,562,899

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1 - SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Education
 Federal Programs: ARRA - Special Education - Grants to States, Recovery Act and
 ARRA - Special Education - Preschool Grants, Recovery Act
 CFDA Numbers: 84.391, 84.392
 Federal Award Number and Year (or Other Identifying Number): ARRA 33310-053-SN01,
 ARRA 44410-053-SN01
 Pass-Through Entity: Indiana Department of Education

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

The School Corporation, in conjunction with the Rise Learning Center Special Education Cooperative, failed to provide information to document the monitoring of the subrecipients for the ARRA Special Education funds for both audit years. During the audit period, a total of \$1,739,391 in ARRA Special Education funds was passed through to subrecipients and the School Corporation could not provide any documentation that the expenditure of those funds were monitored.

Circular A-133, Section .400(d) states:

"Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R & D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
- (7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part."

The lack of monitoring of subrecipient funds increases the risk that those federal funds will be spent on unallowable activities.

We recommended School Corporation Officials develop and implement procedures and controls to ensure that funds passed through to subrecipients are appropriately monitored.



METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP

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"Engagement of Students is Our Priority"

Summary Schedule of Prior Audit Findings

Original SBA Audit Report Number

B35847

Finding Number:

2009-1 Cash Management (Title I)

Auditee Contact:

J Michael Bagley

Title of Contact Person:

Chief Financial Officer

The Chief Financial Officer met with the Title I Administrator to revise the Cash Request from assuring that Title I would not carry a cash balance. The change to a reimbursement system has further helped in this area. Funds for Title I are not requested through the reimbursement process until appropriations are expended.



METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP

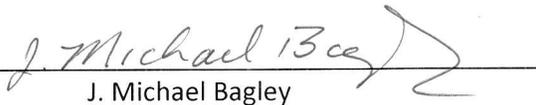
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"Engagement of Students is Our Priority"

To: State Board of Accounts
From: J. Michael Bagley, Chief Financial Officer
Date: February 7, 2012
Re: Response to Finding Number 2011-1; Sub-recipient monitoring
Corrective Action Plan

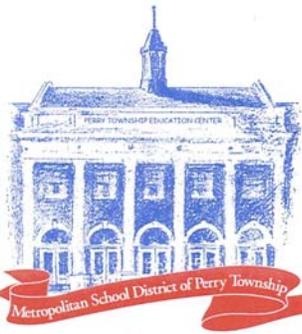
The MSD of Perry Township will take the following steps to assure that proper documentation for sub-recipient reimbursements are requested and maintained.

1. The MSD of Perry Township and Southside Special Services of Marion County, Formerly Rise Learning Center Special Education Cooperative, will require any Special Education Part B ARRA sub-recipient that requested a reimbursement between July 1, 2011 and December 31, 2011 to provide proper documentation of the reimbursed expenditures.
2. All future sub-recipients will be required to abide by Section .400 (d) of Circular A-133.


J. Michael Bagley

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2012, with J. Michael Bagley, Treasurer; Dr. Thomas Little, Jr., Superintendent of Schools; and Kenneth J. Mertz, President of the School Board. The Official Response has been made a part of this report and may be found on page 46.



"Engagement of Students is Our Priority"

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP

6548 Orinoco Avenue • Indianapolis, Indiana 46227-4820 • (317) 789-3700 • Fax (317) 789-3709

To: State Board of Accounts
From: Mike Bagley
Chief Financial Officer
Date: February 14, 2012
Re: Audit Results and Comments Response

SALES TAX

One Claim was examined in which \$1,602.32 in sales tax was paid by the School Corporation.

Response: A. The district will request reimbursement from the vendor for these funds.
B. The person requesting the purchase, the site supervisor and the Accounts Payable Clerk are the check points to make sure sales tax is not paid by the corporation. Individuals in these positions will make extra effort to assure compliance.

DEPOSITS

We noted instances where remissions received by the School Corporation were deposited later than the next business day.

Response: The District will use electronic remission to assure daily deposits.

ECA DEPOSITS (Perry Meridian High School and Perry Meridian 6th Grade Academy)

Response: ECA Treasurers at these two buildings will be instructed that deposits are to be made without unreasonable delay. Summer months and other break periods are not valid reasons for delays when depositing funds.