

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

WILLIAM E. WILSON EDUCATION CENTER

CLARK COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

04/19/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela A. Clover	07-01-09 to 06-30-12
Executive Director	Dr. Philip Partenheimer	07-01-09 to 06-30-12
President of the Board of Directors	Stephen Patz Dr. Kimberly A. Knott	07-01-09 to 06-30-10 07-01-10 to 06-30-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WILLIAM E. WILSON EDUCATION CENTER, CLARK COUNTY, INDIANA

We have examined the financial statement of William E. Wilson Education Center (School Corporation), for the period of July 1, 2009 to June 30, 2011. The School Corporation's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statements 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 (Indiana Code 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 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.

The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management and Board of Directors 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 21, 2012

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FINANCIAL STATEMENT

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

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WILLIAM E. WILSON EDUCATION CENTER
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	\$ 492,537	\$ 2,144,308	\$ 2,420,845	\$ (216,000)	\$ -	\$ 1,802,580	\$ 1,578,505	\$ (224,075)	\$ -
Rainy Day	-	5,856	-	216,000	221,856	5,879	-	276,853	504,588
Intervention Model	4,350	-	(625)	-	4,975	-	4,975	-	-
Reading Recovery	1,019	96,808	90,625	-	7,202	53,475	47,545	-	13,132
IN Creative Problem Solving	37,709	46,725	42,855	-	41,579	33,483	37,757	-	37,305
School Technology	59,911	42,028	59,374	-	42,565	92,246	105,773	-	29,038
Co-Op Licensing	276,325	202,180	11,477	-	467,028	62,324	2,755	(52,778)	473,819
Madison IID Consulting	-	30,241	30,241	-	-	-	-	-	-
High Ability Grant	8,592	-	8,592	-	-	-	-	-	-
Teacher Reading Academy	12,813	-	12,813	-	-	-	-	-	-
USDA RUS Grant	-	-	-	-	-	219,010	219,010	-	-
English Language Acquisition	-	42,900	42,900	-	-	-	-	-	-
English Proficiency	-	-	-	-	-	42,854	20,882	-	21,972
Totals	\$ 893,256	\$ 2,611,046	\$ 2,719,097	\$ -	\$ 785,205	\$ 2,311,851	\$ 2,017,202	\$ -	\$ 1,079,854

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

WILLIAM E WILSON EDUCATION CENTER
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 (Indiana Code 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 membership fees charged to member school corporations, additional fees charged for services provided to non member school corporations, and fees charged and costs related to developing and maintaining e-procurement systems for educational service centers in other States.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation.

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.

WILLIAM E WILSON EDUCATION CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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.

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:

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

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

G. Fund Accounting

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

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year.

WILLIAM E WILSON EDUCATION CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 3. Deposits and Investments

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

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

Note 4. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, or 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 5. 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 (Indiana Code 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:

WILLIAM E WILSON EDUCATION CENTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (Indiana Code 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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

WILLIAM E. WILSON EDUCATION CENTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Rainy Day	Intervention Model	Reading Recovery	IN Creative Problem Solving	School Technology	Co-Op Licensing
Cash and investments - beginning	\$ 492,537	\$ -	\$ 4,350	\$ 1,019	\$ 37,709	\$ 59,911	\$ 276,325
Receipts:							
Local sources	1,922,641	5,856	-	96,808	46,725	-	202,180
Intermediate sources	221,667	-	-	-	-	-	-
State sources	-	-	-	-	-	42,028	-
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>2,144,308</u>	<u>5,856</u>	<u>-</u>	<u>96,808</u>	<u>46,725</u>	<u>42,028</u>	<u>202,180</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	42,855	-	-
Support services	2,420,845	-	(625)	90,625	-	59,374	11,477
Total disbursements	<u>2,420,845</u>	<u>-</u>	<u>(625)</u>	<u>90,625</u>	<u>42,855</u>	<u>59,374</u>	<u>11,477</u>
Excess (deficiency) of receipts over disbursements	<u>(276,537)</u>	<u>5,856</u>	<u>625</u>	<u>6,183</u>	<u>3,870</u>	<u>(17,346)</u>	<u>190,703</u>
Other financing sources (uses):							
Transfers in	-	216,000	-	-	-	-	-
Transfers out	(216,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(216,000)</u>	<u>216,000</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>(492,537)</u>	<u>221,856</u>	<u>625</u>	<u>6,183</u>	<u>3,870</u>	<u>(17,346)</u>	<u>190,703</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 221,856</u>	<u>\$ 4,975</u>	<u>\$ 7,202</u>	<u>\$ 41,579</u>	<u>\$ 42,565</u>	<u>\$ 467,028</u>

WILLIAM E. WILSON EDUCATION CENTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Madison IID Consulting	High Ability Grant	Teacher Reading Academy	USDA RUS Grant	English Language Acquisition	English Proficiency	Totals
Cash and investments - beginning	\$ -	\$ 8,592	\$ 12,813	\$ -	\$ -	\$ -	\$ 893,256
Receipts:							
Local sources	30,241	-	-	-	-	-	2,304,451
Intermediate sources	-	-	-	-	-	-	221,667
State sources	-	-	-	-	-	-	42,028
Federal sources	-	-	-	-	42,900	-	42,900
Total receipts	<u>30,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,900</u>	<u>-</u>	<u>2,611,046</u>
Disbursements:							
Current:							
Instruction	-	8,592	-	-	42,900	-	94,347
Support services	<u>30,241</u>	<u>-</u>	<u>12,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,624,750</u>
Total disbursements	<u>30,241</u>	<u>8,592</u>	<u>12,813</u>	<u>-</u>	<u>42,900</u>	<u>-</u>	<u>2,719,097</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(8,592)</u>	<u>(12,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,051)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	216,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(8,592)</u>	<u>(12,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,051)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 785,205</u>

WILLIAM E. WILSON EDUCATION CENTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Rainy Day	Intervention Model	Reading Recovery	IN Creative Problem Solving	School Technology	Co-Op Licensing
Cash and investments - beginning	\$ -	\$ 221,856	\$ 4,975	\$ 7,202	\$ 41,579	\$ 42,565	\$ 467,028
Receipts:							
Local sources	1,802,580	5,879	-	53,475	33,483	-	62,324
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	92,246	-
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>1,802,580</u>	<u>5,879</u>	<u>-</u>	<u>53,475</u>	<u>33,483</u>	<u>92,246</u>	<u>62,324</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	37,757	-	-
Support services	1,578,505	-	4,975	47,545	-	105,773	2,755
Total disbursements	<u>1,578,505</u>	<u>-</u>	<u>4,975</u>	<u>47,545</u>	<u>37,757</u>	<u>105,773</u>	<u>2,755</u>
Excess (deficiency) of receipts over disbursements	<u>224,075</u>	<u>5,879</u>	<u>(4,975)</u>	<u>5,930</u>	<u>(4,274)</u>	<u>(13,527)</u>	<u>59,569</u>
Other financing sources (uses):							
Transfers in	-	500,000	-	-	-	-	224,075
Transfers out	(224,075)	(223,147)	-	-	-	-	(276,853)
Total other financing sources (uses)	<u>(224,075)</u>	<u>276,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,778)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>282,732</u>	<u>(4,975)</u>	<u>5,930</u>	<u>(4,274)</u>	<u>(13,527)</u>	<u>6,791</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 504,588</u>	<u>\$ -</u>	<u>\$ 13,132</u>	<u>\$ 37,305</u>	<u>\$ 29,038</u>	<u>\$ 473,819</u>

WILLIAM E. WILSON EDUCATION CENTER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Madison IID Consulting	High Ability Grant	Teacher Reading Academy	USDA RUS Grant	English Language Acquisition	English Proficiency	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 785,205
Receipts:							
Local sources	-	-	-	-	-	-	1,957,741
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	92,246
Federal sources	-	-	-	219,010	-	42,854	261,864
Total receipts	-	-	-	219,010	-	42,854	2,311,851
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	37,757
Support services	-	-	-	219,010	-	20,882	1,979,445
Total disbursements	-	-	-	219,010	-	20,882	2,017,202
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	21,972	294,649
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	724,075
Transfers out	-	-	-	-	-	-	(724,075)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	21,972	294,649
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,972	\$ 1,079,854

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WILLIAM E. WILSON EDUCATION CENTER
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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

	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 200,000
Buildings	1,558,015
Machinery and equipment	<u>578,397</u>
Total capital assets not being depreciated	<u>\$ 2,336,412</u>

WILLIAM E. WILSON EDUCATION CENTER
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2012, with Pamela A. Clover, Treasurer; Dr. Philip Partenheimer, Executive Director; and Dr. Kimberly A. Knott, President of the Board of Directors. Our examination disclosed no material items that warrant comment at this time.