

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 NEW DURHAM TOWNSHIP
LAPORTE COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/11/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Terri Stachowiak	07-01-10 to 06-30-13
Superintendent of Schools	James Thorne	07-01-10 to 09-02-11
	(Vacant)	09-03-11 to 01-03-12
	Curtiss Strietelmeier	01-04-12 to 06-30-13
President of the School Board	Ronald Warnke	01-01-10 to 12-31-10
	Nancy Milcarek	01-01-11 to 12-31-11
	Wayne Hodge	01-01-12 to 12-31-12



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF NEW DURHAM TOWNSHIP, LAPORTE COUNTY, INDIANA

We have audited the accompanying financial statement of the Metropolitan School District of New Durham Township (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operation of the School Corporation for the period of July 1, 2010 to June 30, 2012.

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 period July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 11, 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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, 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 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.

STATE BOARD OF ACCOUNTS

December 11, 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 NEW DURHAM TOWNSHIP, LAPORTE COUNTY, INDIANA

We have audited the financial statement of the Metropolitan School District of New Durham Township (School Corporation), for the period July 1, 2011 to June 30, 2012, and have issued our report thereon dated December 11, 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

Management of the School Corporation is responsible for establishing and maintaining effective 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 a 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 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. However, we identified certain deficiencies in internal control over financial reporting, which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 and Corrective Action Plan. 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

December 11, 2012

FINANCIAL STATEMENT

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

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METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 261,806	\$ 5,773,331	\$ 5,274,074	\$ (9,136)	\$ 751,927	\$ 5,876,587	\$ 5,706,028	\$ 109,722	\$ 1,032,208
Debt Service	608,889	1,624,218	2,074,121	-	158,986	2,115,921	1,708,602	(34,945)	531,360
Retirement/Severance Bond Debt Service	59,884	147,761	200,667	-	6,978	189,035	170,327	(3,275)	22,411
Capital Projects	309,255	1,042,202	1,154,245	(75,048)	122,164	1,086,742	645,755	(8,111)	555,040
School Transportation	61,939	229,887	394,510	102,698	14	280,540	273,491	41,700	48,763
School Bus Replacement	34,845	203,631	136,719	(19,000)	82,757	129,672	116,269	(3,812)	92,348
Special Education Preschool	-	-	-	-	-	-	-	-	-
Rainy Day	10,000	-	90,000	80,000	-	-	-	-	-
Retirement/Severance Bond	11,766	-	6,599	-	5,167	-	2,960	-	2,207
School Lunch	130,853	347,454	318,349	(35,780)	124,178	343,983	311,836	(63,564)	92,761
Textbook Rental	(278,752)	78,952	107,836	9,088	(298,548)	70,827	93,635	10,874	(310,482)
Levy Excess	15,233	-	-	(7,860)	7,373	-	-	1,585	8,958
Educational License Plates	69	131	-	-	200	94	200	-	94
SAFE School Haven	-	-	1,829	2,000	171	-	-	-	171
Courtyard 2004	1,239	75	240	-	1,074	155	481	-	748
Blue Chip Tax Distribution	20,579	19,113	20,965	-	18,727	20,344	15,682	-	23,389
Gifts, Donations, Bequests	705	650	250	-	1,105	-	800	-	305
Art Department Donations	170	-	170	-	-	-	-	-	-
Save the Dune	-	410	410	-	-	-	-	-	-
FFA Fund	-	552	30	-	522	71	593	-	-
IN Diagnostic Assessment Study	-	-	-	-	-	6,558	6,557	-	1
Instruction Support	5,504	28,452	27,141	-	6,815	27,600	34,417	-	(2)
Education Technology	-	74,661	74,577	1,900	1,984	2,547	4,531	-	-
School Technology	-	4,932	4,932	-	-	5,754	5,754	-	-
ITELNET	1,395	-	1,022	-	373	-	373	-	-
Payroll Fund	-	1,328,110	1,328,110	-	-	1,260,758	1,260,758	-	-
Title I FY 09-10	17,662	13,361	17,374	(13,648)	1	-	-	-	1
Title I FY 10-11	-	114,600	126,587	13,648	1,661	5,918	7,579	-	-
Title I FY 11-12	-	-	-	-	-	140,618	140,032	-	586
Innovative Education Program Strategies Title V (Part A)	-	-	-	-	-	-	-	-	-
Drug Free Schools	4,174	-	1,965	-	2,209	-	2,210	-	(1)
Vocational and Technical Board Grants	-	-	-	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	25,360	20,241	42,508	-	3,093	12,936	16,029	-	-
Fiscal Stabilization - Education	-	-	-	-	-	-	-	-	-
Title I - Grants to LEAs	2,377	17,220	19,598	-	(1)	-	-	-	(1)
Education Jobs	-	172,978	172,979	-	(1)	2,555	2,555	-	(1)
Totals	\$ 1,304,952	\$ 11,242,922	\$ 11,597,807	\$ 48,862	\$ 998,929	\$ 11,579,215	\$ 10,527,454	\$ 50,174	\$ 2,100,864

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

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM 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.

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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include, but are not limited to, the following sources:

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

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

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

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

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

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, 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. Funds held temporarily for an authorized recipient after scholarships.

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 may include, but are not limited to, the following sources and uses:

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

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

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. 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 or highway use taxes are received 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.

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

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

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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

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

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.

Note 7. Cash Balance Deficits

The financial statement contains funds with deficits in cash. Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Metropolitan School District of New Durham Township School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2011 and 2012 totaled \$975,800 and \$978,800, respectively.

Note 9. Subsequent Events

LaPorte County (County) has been unable to establish approved assessment amounts for county-wide properties. This has caused the County to bill property owners based on "provisional" tax bills. The County is currently working on the distributions for the 2008 pay 2009 property tax bill and the 2009 pay 2010 property tax bills. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the School Corporation. It is undetermined how much property tax collections the School Corporation will receive once all the tax bills have been distributed and the collections received.

Note 10. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55. Currently, two retirees meet these eligibility requirements. The School Corporation provides 53 percent of these postemployment benefits; the retirees provide 47 percent of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2012, disbursements of \$6,000 were recognized for postemployment benefits.

These funds are held in reserve to pay health insurance premiums of qualified retirees for a limited time, in accordance with various governmental regulations.

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 approved by management of the School Corporation. It is presented as intended by the School Corporation.

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM 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	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 261,806	\$ 608,889	\$ 59,884	\$ 309,255	\$ 61,939	\$ 34,845	\$ -	\$ 10,000	\$ 11,766	\$ 130,853
Receipts:										
Local sources	68,611	810,568	72,083	478,311	99,284	66,513	-	-	-	182,133
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	5,511,068	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	165,321
Temporary loans	193,652	813,650	75,678	563,891	130,603	137,118	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>5,773,331</u>	<u>1,624,218</u>	<u>147,761</u>	<u>1,042,202</u>	<u>229,887</u>	<u>203,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,454</u>
Disbursements:										
Current:										
Instruction	3,503,480	-	-	-	-	-	-	-	-	-
Support services	1,675,778	-	-	299,431	150,510	285	-	90,000	6,599	530
Noninstructional services	94,816	-	-	-	-	-	-	-	-	317,819
Facilities acquisition and construction	-	-	-	166,814	-	-	-	-	-	-
Debt services	-	2,074,121	200,667	688,000	244,000	136,434	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,274,074</u>	<u>2,074,121</u>	<u>200,667</u>	<u>1,154,245</u>	<u>394,510</u>	<u>136,719</u>	<u>-</u>	<u>90,000</u>	<u>6,599</u>	<u>318,349</u>
Excess (deficiency) of receipts over disbursements	<u>499,257</u>	<u>(449,903)</u>	<u>(52,906)</u>	<u>(112,043)</u>	<u>(164,623)</u>	<u>66,912</u>	<u>-</u>	<u>(90,000)</u>	<u>(6,599)</u>	<u>29,105</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	23,774	-	-	4,952	7,148	-	-	-	-	-
Transfers in	283,140	101,000	11,500	98,000	124,550	-	-	80,000	-	-
Transfers out	(316,050)	(101,000)	(11,500)	(178,000)	(29,000)	(19,000)	-	-	-	(35,780)
Total other financing sources (uses)	<u>(9,136)</u>	<u>-</u>	<u>-</u>	<u>(75,048)</u>	<u>102,698</u>	<u>(19,000)</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>(35,780)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>490,121</u>	<u>(449,903)</u>	<u>(52,906)</u>	<u>(187,091)</u>	<u>(61,925)</u>	<u>47,912</u>	<u>-</u>	<u>(10,000)</u>	<u>(6,599)</u>	<u>(6,675)</u>
Cash and investments - ending	<u>\$ 751,927</u>	<u>\$ 158,986</u>	<u>\$ 6,978</u>	<u>\$ 122,164</u>	<u>\$ 14</u>	<u>\$ 82,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,167</u>	<u>\$ 124,178</u>

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM 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)

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	Courtyard 2004	Blue Chip Tax Distribution	Gifts Donations Bequests	Art Department Donations	Save the Dune
Cash and investments - beginning	\$ (278,752)	\$ 15,233	\$ 69	\$ -	\$ 1,239	\$ 20,579	\$ 705	\$ 170	\$ -
Receipts:									
Local sources	52,986	-	-	-	75	-	650	-	410
Intermediate sources	-	-	131	-	-	19,113	-	-	-
State sources	25,966	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>78,952</u>	<u>-</u>	<u>131</u>	<u>-</u>	<u>75</u>	<u>19,113</u>	<u>650</u>	<u>-</u>	<u>410</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	20,965	250	170	410
Support services	107,836	-	-	1,829	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	240	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>107,836</u>	<u>-</u>	<u>-</u>	<u>1,829</u>	<u>240</u>	<u>20,965</u>	<u>250</u>	<u>170</u>	<u>410</u>
Excess (deficiency) of receipts over disbursements	<u>(28,884)</u>	<u>-</u>	<u>131</u>	<u>(1,829)</u>	<u>(165)</u>	<u>(1,852)</u>	<u>400</u>	<u>(170)</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	9,088	-	-	2,000	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(7,860)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>9,088</u>	<u>(7,860)</u>	<u>-</u>	<u>2,000</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>(19,796)</u>	<u>(7,860)</u>	<u>131</u>	<u>171</u>	<u>(165)</u>	<u>(1,852)</u>	<u>400</u>	<u>(170)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (298,548)</u>	<u>\$ 7,373</u>	<u>\$ 200</u>	<u>\$ 171</u>	<u>\$ 1,074</u>	<u>\$ 18,727</u>	<u>\$ 1,105</u>	<u>\$ -</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM 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)

	FFA Fund	IN Diagnostic Assessment Study	Instruction Support	Education Technology	School Technology	ITELNET	Payroll Fund	Title I FY 09-10	Title I FY 10-11
Cash and investments - beginning	\$ -	\$ -	\$ 5,504	\$ -	\$ -	\$ 1,395	\$ -	\$ 17,662	\$ -
Receipts:									
Local sources	552	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	28,452	74,661	4,932	-	-	-	-
Federal sources	-	-	-	-	-	-	-	13,361	114,600
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,328,110	-	-
Total receipts	<u>552</u>	<u>-</u>	<u>28,452</u>	<u>74,661</u>	<u>4,932</u>	<u>-</u>	<u>1,328,110</u>	<u>13,361</u>	<u>114,600</u>
Disbursements:									
Current:									
Instruction	30	-	27,141	4,115	-	-	-	17,374	126,293
Support services	-	-	-	70,462	4,932	1,022	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	294
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,328,110	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>30</u>	<u>-</u>	<u>27,141</u>	<u>74,577</u>	<u>4,932</u>	<u>1,022</u>	<u>1,328,110</u>	<u>17,374</u>	<u>126,587</u>
Excess (deficiency) of receipts over disbursements	<u>522</u>	<u>-</u>	<u>1,311</u>	<u>84</u>	<u>-</u>	<u>(1,022)</u>	<u>-</u>	<u>(4,013)</u>	<u>(11,987)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	1,900	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	13,648
Transfers out	-	-	-	-	-	-	-	(13,648)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,648)</u>	<u>13,648</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>522</u>	<u>-</u>	<u>1,311</u>	<u>1,984</u>	<u>-</u>	<u>(1,022)</u>	<u>-</u>	<u>(17,661)</u>	<u>1,661</u>
Cash and investments - ending	<u>\$ 522</u>	<u>\$ -</u>	<u>\$ 6,815</u>	<u>\$ 1,984</u>	<u>\$ -</u>	<u>\$ 373</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,661</u>

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

	Title I FY 11-12	Innovative Education Program Strategies Title V (Part A)	Drug Free Schools	Vocational and Technical Board Grants	Improving Teaching Quality No Child Left Title II, Part A	Fiscal Stabilization Education	Title I Grants to LEAs	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 4,174	\$ -	\$ 25,360	\$ -	\$ 2,377	\$ -	\$ 1,304,952
Receipts:									
Local sources	-	-	-	-	-	-	-	-	1,832,176
Intermediate sources	-	-	-	-	-	-	-	-	19,244
State sources	-	-	-	-	-	-	-	-	5,645,079
Federal sources	-	-	-	-	20,241	-	17,220	172,978	503,721
Temporary loans	-	-	-	-	-	-	-	-	1,914,592
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	1,328,110
Total receipts	-	-	-	-	20,241	-	17,220	172,978	11,242,922
Disbursements:									
Current:									
Instruction	-	-	1,965	-	33,872	-	19,598	157,042	3,912,705
Support services	-	-	-	-	8,636	-	-	15,937	2,433,787
Noninstructional services	-	-	-	-	-	-	-	-	412,929
Facilities acquisition and construction	-	-	-	-	-	-	-	-	167,054
Debt services	-	-	-	-	-	-	-	-	3,343,222
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,328,110
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,965	-	42,508	-	19,598	172,979	11,597,807
Excess (deficiency) of receipts over disbursements	-	-	(1,965)	-	(22,267)	-	(2,378)	(1)	(354,885)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	48,862
Transfers in	-	-	-	-	-	-	-	-	711,838
Transfers out	-	-	-	-	-	-	-	-	(711,838)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	48,862
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,965)	-	(22,267)	-	(2,378)	(1)	(306,023)
Cash and investments - ending	\$ -	\$ -	\$ 2,209	\$ -	\$ 3,093	\$ -	\$ (1)	\$ (1)	\$ 998,929

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 751,927	\$ 158,986	\$ 6,978	\$ 122,164	\$ 14	\$ 82,757	\$ -	\$ -	\$ 5,167	\$ 124,178
Receipts:										
Local sources	388,930	1,522,641	137,286	923,476	187,098	92,997	-	-	-	180,626
Intermediate sources	434	-	-	-	-	-	-	-	-	-
State sources	5,487,223	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	163,357
Temporary loans	-	593,280	51,749	163,266	93,442	36,675	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>5,876,587</u>	<u>2,115,921</u>	<u>189,035</u>	<u>1,086,742</u>	<u>280,540</u>	<u>129,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,983</u>
Disbursements:										
Current:										
Instruction	3,747,975	-	-	-	-	-	-	-	-	-
Support services	1,668,715	10	-	268,100	158,644	78,590	-	-	2,960	530
Noninstructional services	95,686	-	-	-	-	-	-	-	-	311,306
Facilities acquisition and construction	-	-	-	171,172	-	-	-	-	-	-
Debt services	193,652	1,708,592	170,327	206,483	114,847	37,679	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,706,028</u>	<u>1,708,602</u>	<u>170,327</u>	<u>645,755</u>	<u>273,491</u>	<u>116,269</u>	<u>-</u>	<u>-</u>	<u>2,960</u>	<u>311,836</u>
Excess (deficiency) of receipts over disbursements	<u>170,559</u>	<u>407,319</u>	<u>18,708</u>	<u>440,987</u>	<u>7,049</u>	<u>13,403</u>	<u>-</u>	<u>-</u>	<u>(2,960)</u>	<u>32,147</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	18,182	-	-	13,165	7,953	-	-	-	-	-
Transfers in	204,254	-	22,875	-	155,802	-	-	-	-	-
Transfers out	(112,714)	(34,945)	(26,150)	(21,276)	(122,055)	(3,812)	-	-	-	(63,564)
Total other financing sources (uses)	<u>109,722</u>	<u>(34,945)</u>	<u>(3,275)</u>	<u>(8,111)</u>	<u>41,700</u>	<u>(3,812)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,564)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>280,281</u>	<u>372,374</u>	<u>15,433</u>	<u>432,876</u>	<u>48,749</u>	<u>9,591</u>	<u>-</u>	<u>-</u>	<u>(2,960)</u>	<u>(31,417)</u>
Cash and investments - ending	<u>\$ 1,032,208</u>	<u>\$ 531,360</u>	<u>\$ 22,411</u>	<u>\$ 555,040</u>	<u>\$ 48,763</u>	<u>\$ 92,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,207</u>	<u>\$ 92,761</u>

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	Courtyard 2004	Blue Chip Tax Distribution	Gifts Donations Bequests	Art Department Donations	Save the Dune
Cash and investments - beginning	\$ (298,548)	\$ 7,373	\$ 200	\$ 171	\$ 1,074	\$ 18,727	\$ 1,105	\$ -	\$ -
Receipts:									
Local sources	47,186	-	-	-	155	-	-	-	-
Intermediate sources	-	-	94	-	-	20,344	-	-	-
State sources	23,641	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>70,827</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>155</u>	<u>20,344</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	200	-	-	15,682	800	-	-
Support services	93,635	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	481	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>93,635</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>481</u>	<u>15,682</u>	<u>800</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(22,808)</u>	<u>-</u>	<u>(106)</u>	<u>-</u>	<u>(326)</u>	<u>4,662</u>	<u>(800)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	10,874	-	-	-	-	-	-	-	-
Transfers in	-	116,122	-	-	-	-	-	-	-
Transfers out	-	(114,537)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,874</u>	<u>1,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,934)</u>	<u>1,585</u>	<u>(106)</u>	<u>-</u>	<u>(326)</u>	<u>4,662</u>	<u>(800)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (310,482)</u>	<u>\$ 8,958</u>	<u>\$ 94</u>	<u>\$ 171</u>	<u>\$ 748</u>	<u>\$ 23,389</u>	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	FFA Fund	IN Diagnostic Assessment Study	Instruction Support	Education Technology	School Technology	ITELNET	Payroll Fund	Title I FY 09-10	Title I FY 10-11
Cash and investments - beginning	\$ 522	\$ -	\$ 6,815	\$ 1,984	\$ -	\$ 373	\$ -	\$ 1	\$ 1,661
Receipts:									
Local sources	71	6,558	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	27,600	2,547	5,754	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	5,918
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,260,758	-	-
Total receipts	71	6,558	27,600	2,547	5,754	-	1,260,758	-	5,918
Disbursements:									
Current:									
Instruction	593	6,557	34,417	-	-	-	-	-	7,579
Support services	-	-	-	4,531	5,754	373	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,260,758	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	593	6,557	34,417	4,531	5,754	373	1,260,758	-	7,579
Excess (deficiency) of receipts over disbursements	(522)	1	(6,817)	(1,984)	-	(373)	-	-	(1,661)
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	(522)	1	(6,817)	(1,984)	-	(373)	-	-	(1,661)
Cash and investments - ending	\$ -	\$ 1	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I FY 11-12	Innovative Education Program Strategies Title V (Part A)	Drug Free Schools	Vocational and Technical Board Grants	Improving Teaching Quality No Child Left Title II, Part A	Fiscal Stabilization Education	Title I Grants to LEAs	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 2,209	\$ -	\$ 3,093	\$ -	\$ (1)	\$ (1)	\$ 998,929
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,487,024
Intermediate sources	-	-	-	-	-	-	-	-	20,872
State sources	-	-	-	-	-	-	-	-	5,546,765
Federal sources	140,618	-	-	-	12,936	-	-	2,555	325,384
Temporary loans	-	-	-	-	-	-	-	-	938,412
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	1,260,758
Total receipts	140,618	-	-	-	12,936	-	-	2,555	11,579,215
Disbursements:									
Current:									
Instruction	139,724	-	2,210	-	6,128	-	-	2,555	3,964,420
Support services	-	-	-	-	9,901	-	-	-	2,291,743
Noninstructional services	308	-	-	-	-	-	-	-	407,300
Facilities acquisition and construction	-	-	-	-	-	-	-	-	171,653
Debt services	-	-	-	-	-	-	-	-	2,431,580
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,260,758
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	140,032	-	2,210	-	16,029	-	-	2,555	10,527,454
Excess (deficiency) of receipts over disbursements	586	-	(2,210)	-	(3,093)	-	-	-	1,051,761
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	50,174
Transfers in	-	-	-	-	-	-	-	-	499,053
Transfers out	-	-	-	-	-	-	-	-	(499,053)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	50,174
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	586	-	(2,210)	-	(3,093)	-	-	-	1,101,935
Cash and investments - ending	\$ 586	\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ (1)	\$ (1)	\$ 2,100,864

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The fund balance of the Textbook Rental Fund was overdrawn as of June 30, 2011 and June 30, 2012, by \$298,548 and \$310,482, respectively.

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

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Control activities should be selected and developed at various levels of the school corporation to reduce risks to achievement of financial reporting objectives. The school has not separated incompatible activities related to all areas of the financial statements. Examples of these are the treasurer inputs the payroll data, prints and signs the payroll checks, and clears all checks on the system during the reconciliation process. The failure to establish these controls could enable material misstatements or fraud to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

RECEIPTS (Applies to the Extra-Curricular Account)

A comparison of bank deposits to receipts disclosed that receipts were not issued at the time funds were received; rather receipts were issued and posted on the day deposits were made.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF NEW DURHAM TOWNSHIP, LAPORTE COUNTY, INDIANA

Compliance

We have audited Metropolitan School District of New Durham Township's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. However the results of our auditing procedures disclosed 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 2012-2.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2 Reporting, to be a significant deficiency.

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, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 11, 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 NEW DURHAM TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 23,993	\$ 23,468
National School Lunch Program	10.555		<u>141,328</u>	<u>139,888</u>
Total for federal grantor agency			<u>165,321</u>	<u>163,356</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies	84.010	10-4805	31,023	-
		11-4805	126,587	5,918
		12-4805	<u>-</u>	<u>140,618</u>
Total for program			<u>157,610</u>	<u>146,536</u>
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389		<u>19,597</u>	<u>-</u>
Total for cluster			<u>177,207</u>	<u>146,536</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	11-4710	<u>1,964</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367	FY 10-11	42,508	-
		FY 11-12	<u>-</u>	<u>12,936</u>
Total for Program			<u>42,508</u>	<u>12,936</u>
Education Jobs Fund	84.410	FY10-11	172,978	-
		FY11-12	<u>-</u>	<u>2,555</u>
Total for Program			<u>172,978</u>	<u>2,555</u>
Total for federal grantor agency			<u>394,657</u>	<u>162,027</u>
Total federal awards expended			<u>\$ 559,978</u>	<u>\$ 325,383</u>

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

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM 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 New Durham Township (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
National School Breakfast Program	10.553	\$ 3,032	\$ 3,564
National School Lunch Program	10.555	17,865	21,245

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.410	Child Nutrition Cluster Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to all areas of the financial statement. One example is that the School Corporation Treasurer inputs the payroll data, prints and signs the payroll checks, and clears all checks on the system during the reconciliation process. The failure to establish these controls could enable material misstatements or frauds to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things,

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

segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-2 - REPORTING

Federal Agency: U.S. Department of Agriculture
Pass-through: Indiana Department of Education
Federal Program: Child Nutrition Cluster – National School Lunch Program
CFDA Number: 10.555

The Child Nutrition program's objective is to assist states in providing nutritious and healthy meals to eligible children in public and non-profit private schools.

In order to accomplish that objective, general cash assistance is provided to each school for lunches served under the Child Nutrition Cluster program for children determined eligible for free, reduced or paid lunches.

The Metropolitan School District of New Durham has implemented a point of sale system (Meal Time) to account for the number of meals served. The computerized system generates various monthly reports, totaling meals served by category (Free, Reduced, and Paid). This is the basis for the Claim for Reimbursement submitted to the State. However, the detailed reports generated by Meal Time do not always agree with the monthly Claim for Reimbursement that is submitted to the State.

A further review of reports indicated that the monthly Claim for Reimbursement (CND-1) submitted to the State, and the reports generated from the Meal Time Meal Counts Report and the Value of Inventory Report agree in "total" however, there were discrepancies with the types of meals served (Free, Reduced, Paid). According to the Food Service Director, this may occur when a student who is eligible for free lunch is served twice, this has been known to cause lunch counting problems.

7 CFR 210.8 states:

"(a) Internal controls. The school food authority shall establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the lunch counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid lunch counts against data which will assist in the identification of lunch counts in excess of the number of free, reduced price and paid lunches served each day to children eligible for such lunches; and a system for following up on those lunch counts which suggest the likelihood of lunch counting problems."

The School Corporation has not established internal controls to ensure the accuracy of the lunch counts and thus are in violation 7CFR 210.8. Failure to establish these controls may result in inaccurate reporting and loss of future reimbursements.

We recommended that the School Corporation establish food service internal controls over reporting to ensure the accuracy of lunch counts prior to the submission of the monthly claim for reimbursement.

METROPOLITAN SCHOOL DISTRICT of NEW DURHAM TOWNSHIP

207 E. Valparaiso Street, Westville, Indiana 46391-9712

Phone (219) 785-2239 • Fax (219) 785-4584

Administration

Curtiss A. Strietelmeier, Ph.D., Superintendent

Wm. Mark Yates, Secondary Principal

Larry Cook, Elementary Principal

Kenneth Shilt, Athletic Director/Asst. Principal

Board of Trustees

Wayne R. Hodge, President

Dr. Tim Willis, Vice President

Richard D. Oberle, Secretary

Lynn M. Wilson, Deputy Secretary

Nancy R. Milcarek, Member

December 27, 2012

State Board of Accounts

302 W. Washington St., RM. E418

Indianapolis, IN 46204-2765

Audit Results and Comments

OVERDRAWN CASH BALANCE

First, two (2) problems arise in trying to make the Textbook Rental Fund a positive figure rather than a negative figure. The State of Indiana is not compensating school corporations at one hundred percent (100%) of textbook rental funds. The state law has allowed us to tax for any difference between the amount submitted and the amount the State of Indiana pays. As long as the corporation receives one hundred percent (100%) tax collection, this would cover the figures that are submitted for reimbursement.

Secondly, the way the law reads we are not able to collect the difference between the textbook amount and the actual dollar figure addressed to parents if the students are free/reduced lunch. Several supply items are also shown in the textbook rental fund. The statute needs to be changed so we are allowed to address parents of free/reduced lunch students to collect this difference rather than take a loss. The current statute does not allow us to do this.

Realistically, if the law was changed, the school corporation could recoup these funds through the small claims court which would help bring our negative figure to a positive one.

It is my belief that at no time would our textbook rental fund be in a black figure. Each year our school corporation has to pay the costs of new textbooks even though one-sixth (1/6) of the cost of these textbooks will only be received in that school year; five-sixth's (5/6) of that cost will be collected in the following five (5) school years. The same procedure will be addressed in the following school years for the new adoptions for each curricular area. Because of this collection procedure, the textbook rental fund would never be in the black.

RECEIPTS (Extra-Curricular Accounts)

This issue was brought to the attention of the administration and board following the February 2011 audit. In reviewing notes from my predecessor I have not seen information on how this was addressed

Audit Results and Comments

Page 2

with the ECA Treasurer. Going forward we will follow the Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Treasurer 7-3. An audit trail on deposits will be created through the use of written receipts that will be written by the individual receiving the money. They will retain these receipts for future audits.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'C. Strietelmeier', written in a cursive style.

Curtiss A. Strietelmeier, Ph.D.
Superintendent of Schools

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2012, with Wayne Hodge, President of the School Board; Curtiss Strietelmeier, Superintendent of Schools; and Terri Stachowiak, Treasurer. The Official Response has been made a part of this report and may be found on pages 37 and 38.

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December 27, 2012

State Board of Accounts
302 W. Washington St., RM. E418
Indianapolis, IN 46204-2765

Please let this letter serve as our official response from the Metropolitan School District of New Durham Township concerning the recent audit for the term of July 1, 2010 to June 30, 2012.

First, I would like to thank Ms. Lisa Jackson for her professionalism in reviewing our books. Lisa was very courteous in her requests made to the administration, and she was very courteous in discussing the deficiencies shown in the audit.

Shown below is our response to the deficiencies the auditor found for the MSD of New Durham Township:

2012-1. INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

MSD of New Durham Township District Administration and Board of Education understand that the lack of internal controls is an issue. As a result the administration recommended the hiring of a Deputy Treasurer at the December 12th board meeting. The Board of Education approved this hiring at the same meeting. The responsibilities of the Deputy Treasurer are such that a level of a control will be implemented in financial transactions. The Deputy Treasurer will be bonded and responsible for providing reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations.

Finding No. 2012-2 REPORTING

Federal Agency: U.S. Department of Agriculture
Pass-through: Indiana Department of Education
Federal Program: Child Nutrition Cluster – National School Lunch Program
CFDA Number: 10.555

CHILD NUTRITION CLAIM FOR REIMBURSEMENT

This is the first time this issue has been brought to our attention. We will be working with the Point of Sales vendor to confirm the reports reflect what has been purchased. The lunch room cashiers will begin a process of documenting any instances where a purchase is done incorrectly or a free lunch child is listed as having received multiple lunches.

Sincerely yours,



Curtiss A. Strietelmeier, Ph.D.
Superintendent of Schools