

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

WA-NEE COMMUNITY SCHOOLS  
ELKHART COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
02/12/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger B. Zentz	07-01-10 to 06-30-13
Superintendent of Schools	Joseph M. Sabo	07-01-10 to 06-30-15
President of the School Board	Eric Brown	07-01-10 to 12-31-13



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WA-NEE COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

We have audited the accompanying financial statement of the Wa-Nee Community Schools (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 operations 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 of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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, Schedule of Leases and Debt, 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 auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 24, 2013



**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](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF THE WA-NEE COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

We have audited the financial statement of the Wa-Nee Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated January 24, 2013. 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2013

## 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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WA-NEE COMMUNITY SCHOOLS  
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	\$ 3,000,316	\$ 18,095,156	\$ 17,970,377	\$ (62)	\$ 3,125,033	\$ 18,178,462	\$ 17,135,748	\$ (874,000)	\$ 3,293,747
Debt Service	3,603,278	4,917,857	6,029,449	(4,707)	2,486,979	4,176,630	4,711,400	(14,681)	1,937,528
Retirement/Severance Bond Debt Service	137,928	319,201	440,943	(309)	15,877	314,613	296,648	-	33,842
Capital Projects	4,223,025	3,016,450	2,981,127	(2,545)	4,255,803	2,868,199	3,043,274	750	4,081,478
School Transportation	1,362,036	1,769,224	2,193,674	(141,862)	795,724	1,877,085	1,656,670	(150,000)	866,139
School Bus Replacement	278,644	384,693	265,859	(263)	397,215	211,337	141,741	-	466,811
Rainy Day	24,639	-	-	201,500	226,139	-	-	1,024,000	1,250,139
Retirement/Severance Bond	29,074	79,264	30,592	-	77,746	188	23,170	-	54,764
Post-Retirement/Severance Future Benefits	70,000	-	35,000	-	35,000	-	35,000	-	-
Construction	-	-	346,196	1,300,000	953,804	-	869,831	-	83,973
School Lunch	142,598	1,295,508	1,200,844	-	237,262	1,318,267	1,251,341	-	304,188
Textbook Rental	(49,381)	218,237	289,949	-	(121,093)	238,477	152,031	14,681	(19,966)
Self-Insurance	1,163,259	2,513,759	1,872,242	-	1,804,776	2,441,567	2,099,078	-	2,147,265
Levy Excess	-	-	-	-	-	39,393	-	-	39,393
Educational License Plates	3,973	675	2,000	-	2,648	788	2,000	-	1,436
Alternative Education	15,528	8,735	-	-	24,263	8,021	12,655	-	19,629
Early Intervention Grant	4,812	12,250	17,043	-	19	-	-	-	19
Miscellaneous Programs	85,475	21	-	-	85,496	23,039	98,000	-	10,535
Gifted and Talented	13,529	37,994	20,428	-	31,095	37,200	56,549	-	11,746
Medicaid Reimbursement	-	1,413	760	-	653	1,525	965	-	1,213
Non-English Speaking Programs	7,123	26,831	32,544	-	1,410	18,377	16,080	-	3,707
School Technology	48,532	22,017	14,680	-	55,869	9,998	16,622	-	49,245
Excess PTRC (Old)	37,403	44,053	-	(81,456)	-	-	-	-	-
Excess PTRC Distributions	-	-	-	-	29,704	-	29,704	-	-
Title I 2009-10	141,770	25,750	90,976	(76,544)	-	-	-	-	-
Title I 2010-11	-	419,969	500,856	76,544	(4,343)	161,855	145,200	(12,312)	-
Title I 2011-12	-	-	-	-	-	482,879	498,882	12,312	(3,691)
Innovative Education Program Strategies	8,189	-	5,280	-	2,909	-	2,909	-	-
Special Education Grant	(114,157)	160,273	46,116	-	-	-	-	-	-
IDEA Grant 2010-11	-	516,836	568,804	-	(51,968)	114,210	62,242	-	-
IDEA Grant 2011-12	-	-	-	-	-	510,731	551,687	-	(40,956)
Drug Free Schools	8,840	-	7,151	-	1,689	-	1,689	-	-
Safe and Drug Free Grant	-	-	-	-	-	11,436	13,592	-	(2,156)
Team Nutrition Training Grants	-	6,075	5,459	-	616	-	616	-	-
Perkins Grant 2010-11	-	3,500	3,500	-	-	-	-	-	-
Perkins Grant 2011-12	-	-	-	-	-	3,500	3,500	-	-
Perkins Grant 2009-10	15	-	15	-	-	-	-	-	-
Project Lead the Way Grant	-	-	-	-	-	23,913	23,913	-	-
Medicaid Reimbursement - Federal	12,124	1,884	250	-	13,758	3,477	1,511	-	15,724
Improving Teaching Quality	24,744	87,821	143,162	-	(30,597)	194,457	192,198	-	(28,338)
Title III Language Instruction	(2,662)	32,620	29,958	-	-	25,235	31,256	-	(6,021)
Title I ARRA	103,509	122	190,177	-	(86,546)	109,221	22,675	-	-
Special Education ARRA	132,148	88,448	276,906	-	(56,310)	85,733	29,423	-	-
Education Jobs	-	-	-	-	-	584,187	584,187	-	-
Payroll	26,060	4,151,622	4,142,440	-	35,242	4,178,645	4,185,427	-	28,460
<b>Totals</b>	<b>\$ 14,542,371</b>	<b>\$ 38,258,258</b>	<b>\$ 39,754,757</b>	<b>\$ 1,300,000</b>	<b>\$ 14,345,872</b>	<b>\$ 38,252,645</b>	<b>\$ 37,999,414</b>	<b>\$ 750</b>	<b>\$ 14,599,853</b>

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

WA-NEE COMMUNITY SCHOOLS  
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 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.

WA-NEE COMMUNITY SCHOOLS  
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.

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include, 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.

*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, but are not limited to, the following:

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

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

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

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

WA-NEE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

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

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.

WA-NEE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

*B. 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

WA-NEE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**Note 7. Holding Corporations**

The School Corporation has entered into capital leases with the Wa-Nee Elementary/High School Building Corporation, with the Wa-Nee Middle School Building Corporation, and with the Wa-Nee Community School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ended June 30, 2011, and June 30, 2012, totaled \$5,956,763 and \$4,581,000, respectively.

**Note 8. Cash Balance Deficits**

The financial statement contains funds with deficits in cash. The textbook rental fund deficits as of June 30, 2011, and June 30, 2012, \$121,093 and \$19,966, respectively, resulted from textbook purchases that will be reimbursed by future book rental fees. The remaining funds with deficits are all grant funds in which the fund expenditures are reimbursed.

**Note 9. Subsequent Events**

On December 13, 2012, the School Corporation received general obligation bond sale proceeds in the amount of \$2,000,000. The proceeds will be used to finance improvements at the high school.

## 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.

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post - Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 3,000,316	\$ 3,603,278	\$ 137,928	\$ 4,223,025	\$ 1,362,036	\$ 278,644	\$ 24,639	\$ 29,074	\$ 70,000	\$ -
Receipts:										
Local sources	453,096	4,868,443	309,142	3,016,450	1,759,320	384,693	-	79,264	-	-
Intermediate sources	251	-	-	-	-	-	-	-	-	-
State sources	17,633,027	49,414	10,059	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	8,782	-	-	-	9,904	-	-	-	-	-
Total receipts	18,095,156	4,917,857	319,201	3,016,450	1,769,224	384,693	-	79,264	-	-
Disbursements:										
Current:										
Instruction	13,004,543	-	-	-	-	-	-	22,884	35,000	-
Support services	4,649,882	-	-	1,142,732	1,596,382	151,272	-	7,708	-	-
Noninstructional services	315,952	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,838,395	-	-	-	-	-	346,196
Debt services	-	6,029,449	440,943	-	597,292	114,587	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,970,377	6,029,449	440,943	2,981,127	2,193,674	265,859	-	30,592	35,000	346,196
Excess (deficiency) of receipts over disbursements	124,779	(1,111,592)	(121,742)	35,323	(424,450)	118,834	-	48,672	(35,000)	(346,196)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	1,300,000
Transfers in	-	-	-	-	61,006	-	201,500	-	-	-
Transfers out	(62)	(4,707)	(309)	(2,545)	(202,868)	(263)	-	-	-	-
Total other financing sources (uses)	(62)	(4,707)	(309)	(2,545)	(141,862)	(263)	201,500	-	-	1,300,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	124,717	(1,116,299)	(122,051)	32,778	(566,312)	118,571	201,500	48,672	(35,000)	953,804
Cash and investments - ending	\$ 3,125,033	\$ 2,486,979	\$ 15,877	\$ 4,255,803	\$ 795,724	\$ 397,215	\$ 226,139	\$ 77,746	\$ 35,000	\$ 953,804

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Miscellaneous Programs	Gifted and Talented
Cash and investments - beginning	\$ 142,598	\$ (49,381)	\$ 1,163,259	\$ -	\$ 3,973	\$ 15,528	\$ 4,812	\$ 85,475	\$ 13,529
Receipts:									
Local sources	652,511	134,541	2,513,759	-	-	-	-	21	-
Intermediate sources	-	-	-	-	675	-	-	-	-
State sources	16,444	83,696	-	-	-	8,735	12,250	-	37,994
Federal sources	626,268	-	-	-	-	-	-	-	-
Other	285	-	-	-	-	-	-	-	-
Total receipts	<u>1,295,508</u>	<u>218,237</u>	<u>2,513,759</u>	<u>-</u>	<u>675</u>	<u>8,735</u>	<u>12,250</u>	<u>21</u>	<u>37,994</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	20,428
Support services	562	289,949	7,470	-	-	-	17,043	-	-
Noninstructional services	1,200,282	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,864,772	-	2,000	-	-	-	-
Total disbursements	<u>1,200,844</u>	<u>289,949</u>	<u>1,872,242</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>17,043</u>	<u>-</u>	<u>20,428</u>
Excess (deficiency) of receipts over disbursements	<u>94,664</u>	<u>(71,712)</u>	<u>641,517</u>	<u>-</u>	<u>(1,325)</u>	<u>8,735</u>	<u>(4,793)</u>	<u>21</u>	<u>17,566</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	9,254	-	-	-	-	-
Transfers out	-	-	-	(9,254)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>94,664</u>	<u>(71,712)</u>	<u>641,517</u>	<u>-</u>	<u>(1,325)</u>	<u>8,735</u>	<u>(4,793)</u>	<u>21</u>	<u>17,566</u>
Cash and investments - ending	<u>\$ 237,262</u>	<u>\$ (121,093)</u>	<u>\$ 1,804,776</u>	<u>\$ -</u>	<u>\$ 2,648</u>	<u>\$ 24,263</u>	<u>\$ 19</u>	<u>\$ 85,496</u>	<u>\$ 31,095</u>

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Medicaid Reimbursement	Non-English Speaking Programs	School Technology	Excess PTRC (Old)	Excess PTRC Distributions	Title I 2009-10	Title I 2010-11	Title I 2011-12	Innovative Education Program Strategies
Cash and investments - beginning	\$ -	\$ 7,123	\$ 48,532	\$ 37,403	\$ -	\$ 141,770	\$ -	\$ -	\$ 8,189
Receipts:									
Local sources	-	-	17,346	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	1,413	26,831	4,671	44,053	-	-	-	-	-
Federal sources	-	-	-	-	-	25,750	419,969	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,413	26,831	22,017	44,053	-	25,750	419,969	-	-
Disbursements:									
Current:									
Instruction	-	32,544	-	-	-	72,880	393,409	-	-
Support services	760	-	14,680	-	-	15,127	102,609	-	5,280
Noninstructional services	-	-	-	-	-	2,969	4,838	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	760	32,544	14,680	-	-	90,976	500,856	-	5,280
Excess (deficiency) of receipts over disbursements	653	(5,713)	7,337	44,053	-	(65,226)	(80,887)	-	(5,280)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	81,456	-	76,544	-	-
Transfers out	-	-	-	(81,456)	(51,752)	(76,544)	-	-	-
Total other financing sources (uses)	-	-	-	(81,456)	29,704	(76,544)	76,544	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	653	(5,713)	7,337	(37,403)	29,704	(141,770)	(4,343)	-	(5,280)
Cash and investments - ending	\$ 653	\$ 1,410	\$ 55,869	\$ -	\$ 29,704	\$ -	\$ (4,343)	\$ -	\$ 2,909

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Special Education Grant	IDEA Grant 2010-11	IDEA Grant 2011-12	Drug Free Schools	Safe and Drug Free Grant	Team Nutrition Training Grants	Perkins Grant 2010-11	Perkins Grant 2011-12	Perkins Grant 2009-10
Cash and investments - beginning	\$ (114,157)	\$ -	\$ -	\$ 8,840	\$ -	\$ -	\$ -	\$ -	\$ 15
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	160,273	516,836	-	-	-	6,075	3,500	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>160,273</u>	<u>516,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,075</u>	<u>3,500</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	46,116	568,804	-	-	-	5,459	3,500	-	-
Support services	-	-	-	7,151	-	-	-	-	15
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>46,116</u>	<u>568,804</u>	<u>-</u>	<u>7,151</u>	<u>-</u>	<u>5,459</u>	<u>3,500</u>	<u>-</u>	<u>15</u>
Excess (deficiency) of receipts over disbursements	<u>114,157</u>	<u>(51,968)</u>	<u>-</u>	<u>(7,151)</u>	<u>-</u>	<u>616</u>	<u>-</u>	<u>-</u>	<u>(15)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>114,157</u>	<u>(51,968)</u>	<u>-</u>	<u>(7,151)</u>	<u>-</u>	<u>616</u>	<u>-</u>	<u>-</u>	<u>(15)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (51,968)</u>	<u>\$ -</u>	<u>\$ 1,689</u>	<u>\$ -</u>	<u>\$ 616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Project Lead the Way Grant	Medicaid Reimbursement - Federal	Improving Teaching Quality	Title III Language Instruction	Title I ARRA	Special Education ARRA	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ 12,124	\$ 24,744	\$ (2,662)	\$ 103,509	\$ 132,148	\$ -	\$ 26,060	\$ 14,542,371
Receipts:									
Local sources	-	-	-	-	122	126	-	-	14,188,834
Intermediate sources	-	-	-	-	-	-	-	-	926
State sources	-	(1,841)	-	-	-	-	-	-	17,926,746
Federal sources	-	3,725	87,821	32,620	-	88,322	-	-	1,971,159
Other	-	-	-	-	-	-	-	4,151,622	4,170,593
Total receipts	-	1,884	87,821	32,620	122	88,448	-	4,151,622	38,258,258
Disbursements:									
Current:									
Instruction	-	-	142,912	29,958	190,177	276,797	-	-	14,845,411
Support services	-	250	250	-	-	109	-	-	8,009,231
Noninstructional services	-	-	-	-	-	-	-	-	1,524,041
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,184,591
Debt services	-	-	-	-	-	-	-	-	7,182,271
Nonprogrammed charges	-	-	-	-	-	-	-	4,142,440	6,009,212
Total disbursements	-	250	143,162	29,958	190,177	276,906	-	4,142,440	39,754,757
Excess (deficiency) of receipts over disbursements	-	1,634	(55,341)	2,662	(190,055)	(188,458)	-	9,182	(1,496,499)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	1,300,000
Transfers in	-	-	-	-	-	-	-	-	429,760
Transfers out	-	-	-	-	-	-	-	-	(429,760)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,300,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,634	(55,341)	2,662	(190,055)	(188,458)	-	9,182	(196,499)
Cash and investments - ending	\$ -	\$ 13,758	\$ (30,597)	\$ -	\$ (86,546)	\$ (56,310)	\$ -	\$ 35,242	\$ 14,345,872

WA-NEE COMMUNITY SCHOOLS  
 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	Rainy Day	Retirement/ Severance Bond	Post - Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 3,125,033	\$ 2,486,979	\$ 15,877	\$ 4,255,803	\$ 795,724	\$ 397,215	\$ 226,139	\$ 77,746	\$ 35,000	\$ 953,804
Receipts:										
Local sources	404,491	4,153,471	314,613	2,859,921	1,871,586	211,337	-	188	-	-
Intermediate sources	472	-	-	-	-	-	-	-	-	-
State sources	17,758,183	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	2,375	-	-	-	-	-	-
Other	15,316	23,159	-	5,903	5,499	-	-	-	-	-
Total receipts	<u>18,178,462</u>	<u>4,176,630</u>	<u>314,613</u>	<u>2,868,199</u>	<u>1,877,085</u>	<u>211,337</u>	<u>-</u>	<u>188</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	12,078,006	-	-	-	-	-	-	16,583	35,000	-
Support services	4,715,837	-	-	1,209,005	1,656,670	141,741	-	6,587	-	-
Noninstructional services	341,905	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,834,269	-	-	-	-	-	869,831
Debt services	-	4,711,400	296,648	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>17,135,748</u>	<u>4,711,400</u>	<u>296,648</u>	<u>3,043,274</u>	<u>1,656,670</u>	<u>141,741</u>	<u>-</u>	<u>23,170</u>	<u>35,000</u>	<u>869,831</u>
Excess (deficiency) of receipts over disbursements	<u>1,042,714</u>	<u>(534,770)</u>	<u>17,965</u>	<u>(175,075)</u>	<u>220,415</u>	<u>69,596</u>	<u>-</u>	<u>(22,982)</u>	<u>(35,000)</u>	<u>(869,831)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	750	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,024,000	-	-	-
Transfers out	<u>(874,000)</u>	<u>(14,681)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(874,000)</u>	<u>(14,681)</u>	<u>-</u>	<u>750</u>	<u>(150,000)</u>	<u>-</u>	<u>1,024,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>168,714</u>	<u>(549,451)</u>	<u>17,965</u>	<u>(174,325)</u>	<u>70,415</u>	<u>69,596</u>	<u>1,024,000</u>	<u>(22,982)</u>	<u>(35,000)</u>	<u>(869,831)</u>
Cash and investments - ending	<u>\$ 3,293,747</u>	<u>\$ 1,937,528</u>	<u>\$ 33,842</u>	<u>\$ 4,081,478</u>	<u>\$ 866,139</u>	<u>\$ 466,811</u>	<u>\$ 1,250,139</u>	<u>\$ 54,764</u>	<u>\$ -</u>	<u>\$ 83,973</u>

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Miscellaneous Programs	Gifted and Talented
Cash and investments - beginning	\$ 237,262	\$ (121,093)	\$ 1,804,776	\$ -	\$ 2,648	\$ 24,263	\$ 19	\$ 85,496	\$ 31,095
Receipts:									
Local sources	690,938	143,246	2,296,999	39,393	-	-	-	23,039	-
Intermediate sources	-	-	-	-	788	-	-	-	-
State sources	17,547	94,020	-	-	-	8,021	-	-	37,200
Federal sources	609,594	-	144,568	-	-	-	-	-	-
Other	188	1,211	-	-	-	-	-	-	-
Total receipts	<u>1,318,267</u>	<u>238,477</u>	<u>2,441,567</u>	<u>39,393</u>	<u>788</u>	<u>8,021</u>	<u>-</u>	<u>23,039</u>	<u>37,200</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	56,549
Support services	804	152,031	6,878	-	-	-	-	-	-
Noninstructional services	1,250,537	-	-	-	-	-	-	98,000	-
Facilities acquisition and construction	-	-	-	-	-	12,655	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,092,200	-	2,000	-	-	-	-
Total disbursements	<u>1,251,341</u>	<u>152,031</u>	<u>2,099,078</u>	<u>-</u>	<u>2,000</u>	<u>12,655</u>	<u>-</u>	<u>98,000</u>	<u>56,549</u>
Excess (deficiency) of receipts over disbursements	<u>66,926</u>	<u>86,446</u>	<u>342,489</u>	<u>39,393</u>	<u>(1,212)</u>	<u>(4,634)</u>	<u>-</u>	<u>(74,961)</u>	<u>(19,349)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	14,681	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>14,681</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>66,926</u>	<u>101,127</u>	<u>342,489</u>	<u>39,393</u>	<u>(1,212)</u>	<u>(4,634)</u>	<u>-</u>	<u>(74,961)</u>	<u>(19,349)</u>
Cash and investments - ending	<u>\$ 304,188</u>	<u>\$ (19,966)</u>	<u>\$ 2,147,265</u>	<u>\$ 39,393</u>	<u>\$ 1,436</u>	<u>\$ 19,629</u>	<u>\$ 19</u>	<u>\$ 10,535</u>	<u>\$ 11,746</u>

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Medicaid Reimbursement	Non-English Speaking Programs	School Technology	Excess PTRC (Old)	Excess PTRC Distributions	Title I 2009-10	Title I 2010-11	Title I 2011-12	Innovative Education Program Strategies
Cash and investments - beginning	\$ 653	\$ 1,410	\$ 55,869	\$ -	\$ 29,704	\$ -	\$ (4,343)	\$ -	\$ 2,909
Receipts:									
Local sources	-	-	2,929	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	1,525	18,377	7,069	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	161,855	482,879	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,525	18,377	9,998	-	-	-	161,855	482,879	-
Disbursements:									
Current:									
Instruction	-	16,080	-	-	-	-	135,993	281,076	-
Support services	965	-	16,622	-	29,704	-	8,500	212,613	2,909
Noninstructional services	-	-	-	-	-	-	707	5,193	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	965	16,080	16,622	-	29,704	-	145,200	498,882	2,909
Excess (deficiency) of receipts over disbursements	560	2,297	(6,624)	-	(29,704)	-	16,655	(16,003)	(2,909)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	12,312	-
Transfers out	-	-	-	-	-	-	(12,312)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(12,312)	12,312	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	560	2,297	(6,624)	-	(29,704)	-	4,343	(3,691)	(2,909)
Cash and investments - ending	\$ 1,213	\$ 3,707	\$ 49,245	\$ -	\$ -	\$ -	\$ -	\$ (3,691)	\$ -

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Special Education Grant	IDEA Grant 2010-11	IDEA Grant 2011-12	Drug Free Schools	Safe and Drug Free Grant	Team Nutrition Training Grants	Perkins Grant 2010-11	Perkins Grant 2011-12	Perkins Grant 2009-10
Cash and investments - beginning	\$ -	\$ (51,968)	\$ -	\$ 1,689	\$ -	\$ 616	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	114,210	510,731	-	11,436	-	-	3,500	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	114,210	510,731	-	11,436	-	-	3,500	-
Disbursements:									
Current:									
Instruction	-	62,242	551,687	-	8,292	(528)	-	3,500	-
Support services	-	-	-	1,689	5,300	1,144	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	62,242	551,687	1,689	13,592	616	-	3,500	-
Excess (deficiency) of receipts over disbursements	-	51,968	(40,956)	(1,689)	(2,156)	(616)	-	-	-
Other financing sources (uses):									
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	-	51,968	(40,956)	(1,689)	(2,156)	(616)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (40,956)	\$ -	\$ (2,156)	\$ -	\$ -	\$ -	\$ -

WA-NEE COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Project Lead the Way Grant	Medicaid Reimbursement - Federal	Improving Teaching Quality	Title III Language Instruction	Title I ARRA	Special Education ARRA	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ 13,758	\$ (30,597)	\$ -	\$ (86,546)	\$ (56,310)	\$ -	\$ 35,242	\$ 14,345,872
Receipts:									
Local sources	-	-	-	-	-	-	-	-	13,012,151
Intermediate sources	-	-	-	-	-	-	-	-	1,260
State sources	-	-	-	-	-	-	-	-	17,941,942
Federal sources	23,913	3,477	194,457	25,235	109,221	85,733	584,187	-	3,067,371
Other	-	-	-	-	-	-	-	4,178,645	4,229,921
Total receipts	23,913	3,477	194,457	25,235	109,221	85,733	584,187	4,178,645	38,252,645
Disbursements:									
Current:									
Instruction	23,913	1,222	190,434	31,256	22,675	29,397	584,187	-	14,127,564
Support services	-	289	1,764	-	-	26	-	-	8,171,078
Noninstructional services	-	-	-	-	-	-	-	-	1,696,342
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,716,755
Debt services	-	-	-	-	-	-	-	-	5,008,048
Nonprogrammed charges	-	-	-	-	-	-	-	4,185,427	6,279,627
Total disbursements	23,913	1,511	192,198	31,256	22,675	29,423	584,187	4,185,427	37,999,414
Excess (deficiency) of receipts over disbursements	-	1,966	2,259	(6,021)	86,546	56,310	-	(6,782)	253,231
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	750
Transfers in	-	-	-	-	-	-	-	-	1,050,993
Transfers out	-	-	-	-	-	-	-	-	(1,050,993)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	750
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,966	2,259	(6,021)	86,546	56,310	-	(6,782)	253,981
Cash and investments - ending	\$ -	\$ 15,724	\$ (28,338)	\$ (6,021)	\$ -	\$ -	\$ -	\$ 28,460	\$ 14,599,853

WA-NEE COMMUNITY SCHOOLS  
SCHEDULE OF LEASES AND DEBT  
JUNE 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Wa-Nee Elem/High School Building Corporation	Financing & Constructing Facilities	\$ 2,004,000	12-31-94	06-30-13
Wa-Nee Middle School Building Corporation	Financing & Constructing Facilities	1,815,000	07-15-01	01-15-20
Wa-Nee Community School Building Corporation	Financing & Constructing Facilities	762,000	01-15-07	01-15-20
Sun Trust Bank	Energy Savings Project	<u>283,058</u>	01-01-05	01-01-14
Total of annual lease payments		<u>\$ 4,864,058</u>		
Description of Debt	Type	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds				
Pension Debt		SB199 Pension buy-out program	\$ 1,490,000	\$ 278,634
QSCB		Constructing and remodeling facilities	<u>1,105,000</u>	<u>174,067</u>
Totals			<u>\$ 2,595,000</u>	<u>\$ 452,701</u>

WA-NEE COMMUNITY SCHOOLS  
 SCHEDULE OF CAPITAL ASSETS  
 JUNE 30, 2012

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

	Ending Balance
Governmental activities:	
Land	\$ 1,482,950
Buildings	56,052,216
Improvements other than buildings	2,612,709
Machinery, equipment and vehicles	7,546,373
Total capital assets	\$ 67,694,248

WA-NEE COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS

**LATCH KEY AND EXTENDED DAY CARE PROGRAMS**

The Latch Key and Extended Day Care programs collected fees for children participation. The supervisor the oversaw these programs explained to us that no records or reports for the years 2010-2011 and 2011-2012 were available for audit. We were unable to verify the accuracy of the amounts collected and deposited. The School Corporation financial records showed that during the year 2010-2011, \$63,782 was collected and deposited for the Extended Day Care program and \$21,267 for the Latch Key program. For the year 2011-2012, the amounts were \$74,081 and \$30,627, respectively. The School Corporation Treasurer explained that he has received no reports from these programs comparing students attending to amounts billed and collected.

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)

**OVERDRAWN FUND BALANCES**

The Textbook Rental Fund deficits as of June 30, 2011, and June 30, 2012, \$121,093 and \$19,966, respectively, resulted from textbook purchases that will be reimbursed by future book rental fees. The remaining funds with deficits are grant funds in which the fund expenditures will be reimbursed.

The fund 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)

**PENALTIES, INTEREST, AND OTHER CHARGES- (Applies to NorthWood High School)**

Information presented for audit indicated that, in some cases, amounts payable to Bank of America for a NorthWood Athletic Department credit card in the Athletic Director's name were not being paid timely.

Penalties and interest totaling \$162.75 were paid to Bank of America during the period July 1, 2010 to June 30, 2012.

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

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

WA-NEE COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

***EXTRA-CURRICULAR DISBURSEMENTS (Applies to NorthWood High School)***

The following items were noted from the information presented for audit:

1. Some disbursements lacked proper documentation. Specifically, the Athletic Director was reimbursed monthly for cell phone claims for which 3 of 24 claims reviewed did not include an itemized statement of his phone line usage and charges. Upon request, the Athletic Director has since provided the detail itemization for one of the incomplete cell phone claims.

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

2. NorthWood High School athletic department has a Bank of America credit card in the name of the Athletic Director. In our review, we noted that 24 claims were submitted for payment to Bank of America for credit card charges without any supporting documentation attached, such as paid receipts, invoices, and other public records. In 5 of the 24 claims reviewed, the itemized credit card statement was not provided either, only a summary of the month's charges and credits in totals. The Athletic Director provided the itemized statements for the 5 incomplete claims upon our request; however, no receipts, invoices, or other supporting documentation has been provided for our audit at this time. Total credit card claims paid without necessary documentation for the period audited was \$14,992.

Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

3. Several of the credit card claims described above included purchases of meals, and other items such as Christmas gifts for secretarial staff.

All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDIANAPOLIS, INDIANA 46204-2769

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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://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 WA-NEE COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

Compliance

We have audited the Wa-Nee Community Schools' (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.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS 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)

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

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

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2013

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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.

WA-NEE COMMUNITY SCHOOLS  
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
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 95,474	\$ 98,837
National School Lunch Program	10.555		610,632	602,363
Total for federal grantor agency			<u>706,106</u>	<u>701,200</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	10-2285	167,520	-
		11-2285	500,858	157,512
		12-2285	-	482,879
Total for program			<u>668,378</u>	<u>640,391</u>
ARRA Title I Grants to Local Educational Agencies, Recovery Act	84.389		190,178	22,675
Total for cluster			<u>858,556</u>	<u>663,066</u>
Pass-Through Goshen Community Schools				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	FY 09-10	46,116	-
		FY 10-11	568,805	62,242
		FY 11-12	-	510,731
Total for program			<u>614,921</u>	<u>572,973</u>
ARRA Special Education - Grants to States, Recovery Act	84.391		276,905	29,423
Total for cluster			<u>891,826</u>	<u>602,396</u>
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States	84.048	FY 09-10	15	-
		FY 10-11	3,000	-
		FY 11-12	-	3,500
Project Lead the Way		FY 11-12	-	26,288
Total for program			<u>3,015</u>	<u>29,788</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 09-10	7,151	-
		FY 10-11	-	11,436
Total for program			<u>7,151</u>	<u>11,436</u>
English Language Acquisition State Grants	84.365	FY 10-11	29,958	-
		FY 11-12	-	25,235
Total for program			<u>29,958</u>	<u>25,235</u>
Improving Teacher Quality State Grants	84.367	FY 10-11	143,163	-
		FY 11-12	-	163,860
Total for program			<u>143,163</u>	<u>163,860</u>
Education Jobs Fund	84.410		-	584,187
Total for federal grantor agency			<u>1,933,669</u>	<u>2,079,968</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Direct Grant				
Early Retiree Reinsurance Program	93.546		-	144,568
Pass-Through Indiana State Department of Health				
Maternal and Child Health Services Block Grant to the States	93.994		5,280	2,910
Total for federal grantor agency			<u>5,280</u>	<u>147,478</u>
Total federal awards expended			<u>\$ 2,645,055</u>	<u>\$ 2,928,646</u>

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

WA-NEE COMMUNITY SCHOOLS  
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 Wa-Nee Community Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of schools 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
School Breakfast Program	10.553	\$ 5,918	\$ 12,912
National School Lunch Program	10.555	73,920	78,694

WA-NEE COMMUNITY SCHOOLS  
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 deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Child Nutrition Cluster
84.410	Special Education Cluster (IDEA)
	Improving Teacher Quality State Grants
	Education Jobs Fund

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

Auditee qualified as low-risk auditee? yes

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

WA-NEE COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2013, with Roger B. Zentz, Treasurer; Joseph M. Sabo, Superintendent of Schools; and Eric Brown, President of the School Board. The officials concurred with our audit findings.

Also on January 24, 2013, the findings related to the NorthWood High School were discussed with Wendy Delio, Extra-Curricular Treasurer, and with David L. Mangel, Principal. These officials concurred with the findings.