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

AUDIT REPORT

OF

WABASH CITY SCHOOLS

WABASH COUNTY, INDIANA

July 1, 2007 to June 30, 2009

FILED

02/05/2010

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Carol A. Smith	07-01-07 to 06-30-10
Superintendent of Schools	Celia A. Herrell-Shand	07-01-07 to 06-30-10
President of the School Board	Steve Weir	07-01-07 to 06-30-10

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE WABASH CITY SCHOOLS, WABASH COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wabash City Schools (School Corporation), as of and for the years ended June 30, 2008 and 2009, the which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 6, 2010, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 6, 2010

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

TO: THE OFFICIALS OF THE WABASH CITY SCHOOLS, WABASH COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wabash City Schools (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS 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 statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

This report is intended solely for the information and use of the School Corporation's management, school board, and 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 6, 2010

WABASH CITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets: Totals
Governmental activities:				
Instruction	$ 7,294,591	$ -	$ 171,174	$ (7,123,417)
Support services	4,481,170	471,913	517,838	(3,491,419)
Noninstructional services	926,435	-	-	(926,435)
Facilities acquisition and construction	578,214	-	-	(578,214)
Debt service	1,606,917	-	-	(1,606,917)
Nonprogrammed charges	803,591	-	-	(803,591)
Total governmental activities	$ 15,690,918	$ 471,913	$ 689,012	(14,529,993)
General receipts:				
Property taxes				2,658,947
Other local sources				760,721
State aid				7,319,703
Bonds and loans				1,000,000
Grants and contributions not restricted to specific programs				556,651
Sale of property				23,959
Investment earnings				140,225
Other				879
Total general receipts				12,461,085
Change in net assets				(2,068,908)
Net assets - beginning				4,508,702
Net assets - ending				$ 2,439,794

Assets	
Cash and investments	$ 2,417,501
Restricted assets:	
Cash and investments	22,293
Total assets	$ 2,439,794

Net Assets	
Restricted for:	
Debt service	$ 22,293
Unrestricted	2,417,501
Total net assets	$ 2,439,794

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

WABASH CITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets: Totals
Governmental activities:				
Instruction	$ 7,011,039	$ -	$ 202,110	$ (6,808,929)
Support services	4,851,646	456,020	515,231	(3,880,395)
Noninstructional services	976,605	-	-	(976,605)
Facilities acquisition and construction	507,306	-	-	(507,306)
Debt service	1,642,460	-	-	(1,642,460)
Nonprogrammed charges	933,890	-	-	(933,890)
Total governmental activities	$ 15,922,946	$ 456,020	$ 717,341	(14,749,585)
General receipts:				
Property taxes				3,880,953
Other local sources				832,493
State aid				8,202,526
Bonds and loans				1,000,000
Grants and contributions not restricted to specific programs				1,356,597
Sale of property				2,489
Investment earnings				27,276
Other				40,330
Total general receipts				15,342,664
Change in net assets				593,079
Net assets - beginning				2,439,794
Net assets - ending				$ 3,032,873

Assets

Cash and investments	$ 3,004,612
Restricted assets:	
Cash and investments	28,261
Total assets	$ 3,032,873

Net Assets

Restricted for:	
Debt service	$ 28,261
Unrestricted	3,004,612
Total net assets	$ 3,032,873

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

WABASH CITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Capital Projects	Other	Totals
Receipts:						
Local sources	$ 2,127,683	$ 283,997	$ -	$ 706,797	$ 912,669	$ 4,031,146
Intermediate sources	661	-	-	-	-	661
State sources	7,457,279	-	-	-	200,097	7,657,376
Federal sources	-	-	-	-	907,989	907,989
Temporary loans	1,000,000	-	-	-	-	1,000,000
Other	-	-	-	-	879	879
Total receipts	10,585,623	283,997	-	706,797	2,021,634	13,598,051
Disbursements:						
Current:						
Instruction	7,016,161	-	-	-	278,430	7,294,591
Support services	3,030,051	408,088	-	429,892	613,139	4,481,170
Noninstructional services	192,960	-	-	-	733,475	926,435
Facilities acquisition and construction	-	-	-	578,214	-	578,214
Debt services	1,000,000	-	-	-	606,917	1,606,917
Nonprogrammed charges	717,650	-	-	-	85,941	803,591
Total disbursements	11,956,822	408,088	-	1,008,106	2,317,902	15,690,918
Deficiency of receipts over disbursements	(1,371,199)	(124,091)	-	(301,309)	(296,268)	(2,092,867)
Other financing sources (uses):						
Sale of capital assets	23,471	-	-	-	488	23,959
Transfers in	31	-	765,000	136,000	-	901,031
Transfers out	(675,000)	(90,000)	(136,000)	-	(31)	(901,031)
Total other financing sources (uses)	(651,498)	(90,000)	629,000	136,000	457	23,959
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,022,697)	(214,091)	629,000	(165,309)	(295,811)	(2,068,908)
Cash and investments - beginning	2,659,458	688,491	-	452,330	708,423	4,508,702
Cash and investments - ending	$ 636,761	$ 474,400	$ 629,000	$ 287,021	$ 412,612	$ 2,439,794
Cash and Investment Assets - Ending						
Cash and investments	$ 636,761	$ 474,400	$ 629,000	$ 287,021	$ 390,319	$ 2,417,501
Restricted assets:						
Cash and investments	-	-	-	-	22,293	22,293
Total cash and investment assets - ending	$ 636,761	$ 474,400	$ 629,000	$ 287,021	$ 412,612	$ 2,439,794
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	$ -	$ -	$ -	$ -	$ 22,293	$ 22,293
Unrestricted	636,761	474,400	629,000	287,021	390,319	2,417,501
Total cash and investment fund balance - ending	$ 636,761	$ 474,400	$ 629,000	$ 287,021	$ 412,612	$ 2,439,794

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

WABASH CITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Transportation Operating	Rainy Day	Fiscal Stabilization - Education	Capital Projects	Other	Totals
Receipts:							
Local sources	$ 2,499,002	$ 470,379	$ -	$ -	$ 1,049,909	$ 1,176,716	$ 5,196,006
Intermediate sources	736	-	-	-	-	-	736
State sources	8,371,186	-	-	-	-	217,998	8,589,184
Federal sources	3,060	-	-	877,053	-	807,167	1,687,280
Temporary loans	1,000,000	-	-	-	-	-	1,000,000
Other	35,301	-	-	-	4,705	324	40,330
Total receipts	11,909,285	470,379	-	877,053	1,054,614	2,202,205	16,513,536
Disbursements:							
Current:							
Instruction	6,428,821	-	-	208,058	-	374,160	7,011,039
Support services	3,662,134	397,902	-	77,789	359,807	354,014	4,851,646
Noninstructional services	204,272	-	-	4,800	-	767,533	976,605
Facilities acquisition and construction	-	-	-	-	507,306	-	507,306
Debt services	1,000,000	-	-	-	72,792	569,668	1,642,460
Nonprogrammed charges	837,122	-	-	-	-	96,768	933,890
Total disbursements	12,132,349	397,902	-	290,647	939,905	2,162,143	15,922,946
Excess (deficiency) of receipts over disbursements	(223,064)	72,477	-	586,406	114,709	40,062	590,590
Other financing sources (uses):							
Sale of capital assets	264	2,225	-	-	-	-	2,489
Transfers in	-	-	-	-	40,000	-	40,000
Transfers out	-	-	(40,000)	-	-	-	(40,000)
Total other financing sources (uses)	264	2,225	(40,000)	-	40,000	-	2,489
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(222,800)	74,702	(40,000)	586,406	154,709	40,062	593,079
Cash and investments - beginning	636,761	474,400	629,000	-	287,021	412,612	2,439,794
Cash and investments - ending	$ 413,961	$ 549,102	$ 589,000	$ 586,406	$ 441,730	$ 452,674	$ 3,032,873
Cash and Investment Assets - Ending							
Cash and investments	$ 413,961	$ 549,102	$ 589,000	$ 586,406	$ 441,730	$ 424,413	$ 3,004,612
Restricted assets:							
Cash and investments	-	-	-	-	-	28,261	28,261
Total cash and investment assets - ending	$ 413,961	$ 549,102	$ 589,000	$ 586,406	$ 441,730	$ 452,674	$ 3,032,873
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	$ -	$ -	$ -	$ -	$ -	$ 28,261	$ 28,261
Unrestricted	413,961	549,102	589,000	586,406	441,730	424,413	3,004,612
Total cash and investment fund balance - ending	$ 413,961	$ 549,102	$ 589,000	$ 586,406	$ 441,730	$ 452,674	$ 3,032,873

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

WABASH CITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	$ 1,458
Deductions:	
Administrative and general	34,128
Deficiency of total additions over total deductions	(32,670)
Cash and investment fund balance - beginning	3,253
Cash and investment fund balance - ending	$ (29,417)
Net assets:	
Cash and investments	$ (29,417)
Total net assets - cash and investment basis held in trust	$ (29,417)

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

WABASH CITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	$ 34,638
Deductions:	
Administrative and general	13,702
Excess of total additions over total deductions	20,936
Cash and investment fund balance - beginning	(29,417)
Cash and investment fund balance - ending	$ (8,481)
Net assets:	
Cash and investments	$ (8,481)
Total net assets - cash and investment basis held in trust	$ (8,481)

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

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Wabash City Schools

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Manchester Community Schools, Metropolitan School District of Wabash County, and Peru Community Schools in a joint venture to operate Wabash-Miami Area Program for Exceptional Children, which was created to operate a comprehensive program of special education for handicapped children. The School Corporation is obligated by contract to remit its proportionate share of operating costs of the program as determined each June by the program's Advisory committee. Complete financial statements for the Wabash-Miami Area Program for Exceptional Children can be obtained from the office of the Metropolitan School District of Wabash County at 204 North 300 West, Wabash Indiana, which is the joint venture's administering school corporation.

The School Corporation is a participant with Manchester Community Schools, North Miami Community Schools, Metropolitan School District of Wabash County, and Peru Community Schools in a joint venture to operate the Heartland Career Center, which was created to establish an area vocational educational school. The School Corporation is obligated by contract to remit its proportionate share of operation, control and maintenance costs of the program as determined by each School Corporation's student participation. Complete financial statements for the Heartland Career Center can be obtained from the joint venture's administrative office at 79 South County Road 200 West, Wabash, Indiana.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The rainy day fund accounts for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The Fiscal Stabilization – Education fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust funds report trust arrangements under which principal and income benefit the school corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any proprietary funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

   Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

   Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

3. Capital Assets

   Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

   Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

   Government-Wide Statements

   Equity is classified as net assets and displayed in two components:

   a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2008
General	$ 182,496
Capital Projects	45,368
Total	$ 227,864

These disbursements were funded by tax collection and state support.

C. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	June 30, 2008	June 30, 2009
Community Grant Gorman	$ 5	$ 5
Project Lead the Way Grant	33,569	14,827
Special Education Preschool	-	9,290
Improving Teacher Quality	-	18,386

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.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended June 30, 2008 and June 30, 2009, were as follows:

Transfer From	Transfer To	June 30, 2008	June 30, 2009
General Fund	Rainy Day Fund	$ 675,000	$ -
Transportation Operating Fund	Rainy Day Fund	90,000	-
Rainy Day Fund	Capital Projects Fund	136,000	40,000
Other Governmental Funds	General Fund	31	-
Totals		$ 901,031	$ 40,000

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with Wabash City Schools Holding 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 ended June 30, 2008, and June 30, 2009, were $279,000 and $278,500, respectively.

C. Postemployment Benefits

During the current year, Wabash City Schools offered to retirees and those people who have resigned health benefits. Retirees are offered single plan health insurance at the cost of $1/year until age 65. Spouses who were covered on the retiree's plan when he/she was an active employee are able to continue on the health insurance plan until age 65 with the retiree paying the total amount for their spouse's coverage. Certified employees who resign at the end of the school year are covered on the Wabash City Schools' plan until October 1st of that calendar year because the teacher is receiving checks over the summer and health insurance deductions are being made from those checks. Certified employees who resign during the school year are covered through the month in which benefits have been paid. All employees who resign are offered the option of being covered by COBRA requirements. These postemployment benefits are provided on or after attaining age 55 with at least 15 years of service. Currently, 21 retirees meet those eligibility requirements. The School Corporation and retirees provide 83% and 17%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of $158,797 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	$ 54,805
Interest on net pension obligation	(4,444)
Adjustment to annual required contribution	5,065
Annual pension cost	55,426
Contributions made	54,300
Increase in net pension obligation	1,126
Net pension obligation, beginning of year	(61,303)
Net pension obligation, end of year	$ (60,177)

	PERF
Contribution rates:	
School Corporation	6%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	$ 44,342	98%	$ (68,949)
	06-30-07	54,242	86%	(61,303)
	06-30-08	55,426	98%	(60,177)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

TRF 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:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were $224,001, $199,642, and $176,178, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

E. Cash with Fiscal Agent

The School Corporation had $1,025,576 on deposit with Nippon Life Insurance Company (Nippon) as of June 30, 2009. Nippon is the School Corporation's group health insurance carrier. The funds are available to cover premium costs and to pay the cost of retirement/severance benefits through the year 2012.

F. Retirement/Severance Benefits

The School Corporation provided a retirement/severance benefit under prior teacher master contracts. This benefit is no longer included in the master contract. The School Corporation has determined that the last year of payments for this benefit will be 2012. The School Corporation estimates that the total future payments required for this benefit will be approximately $1,000,000.

WABASH CITY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	$ 1,240,842	$ 1,183,991	$ 56,851	105%	$ 914,658	6%
07-01-07	1,369,697	1,247,267	122,430	110%	993,554	12%
07-01-08	1,321,625	1,249,859	71,766	106%	995,029	7%

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Community Grant	Community Foundation Grant
Receipts:					
Local sources	$ 4,079	$ 336,476	$ 96,029	$ -	$ -
State sources	63,088	5,719	97,431	-	-
Federal sources	-	414,818	-	-	-
Other	-	874	-	-	-
Total receipts	67,167	757,887	193,460	-	-
Disbursements:					
Current:					
Instruction	-	-	-	-	-
Support services	-	1,956	114,386	8	120
Noninstructional services	-	730,821	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	85,941	-	-	-	-
Total disbursements	85,941	732,777	114,386	8	120
Excess (deficiency) of receipts over disbursements	(18,774)	25,110	79,074	(8)	(120)
Other financing sources (uses):					
Sale of capital assets	-	488	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	488	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,774)	25,598	79,074	(8)	(120)
Cash and investments - beginning	31,837	97,501	26,178	8	120
Cash and investments - ending	$ 13,063	$ 123,099	$ 105,252	$ -	$ -
Cash and Investment Assets - Ending					
Cash and investments	$ 13,063	$ 123,099	$ 105,252	$ -	$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 13,063	$ 123,099	$ 105,252	$ -	$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	13,063	123,099	105,252	-	-
Total cash and investment fund balance - ending	$ 13,063	$ 123,099	$ 105,252	$ -	$ -

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Community Grant Gorman	Applied Math Mini Grant	Gifted and Talented	Tech Prep	Non-English Speaking
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	31,651	-	1,946
Federal sources	-	-	-	-	-
Other	5	-	-	-	-
Total receipts	-	-	31,651	-	1,946
Disbursements:					
Current:					
Instruction	-	-	19,298	-	1,079
Support services	-	-	5,786	-	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	-	25,084	-	1,079
Excess (deficiency) of receipts over disbursements	5	-	6,567	-	867
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5	-	6,567	-	867
Cash and investments - beginning	(5)	348	977	653	439
Cash and investments - ending	$ -	$ 348	$ 7,544	$ 653	$ 1,306
Cash and Investment Assets - Ending					
Cash and investments	$ -	$ 348	$ 7,544	$ 653	$ 1,306
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ 348	$ 7,544	$ 653	$ 1,306
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	348	7,544	653	1,306
Total cash and investment fund balance - ending	$ -	$ 348	$ 7,544	$ 653	$ 1,306

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	School Technology	Technology Plan Grant	Performance Based Awards	Technology	CLASS Grant
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	-	-	-	-	-
Disbursements:					
Current:					
Instruction	-	-	-	-	-
Support services	-	12,242	-	-	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	12,242	-	-	-
Excess (deficiency) of receipts over disbursements	-	(12,242)	-	-	-
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(12,242)	-	-	-
Cash and investments - beginning	1,589	18,727	70	822	17
Cash and investments - ending	$ 1,589	$ 6,485	$ 70	$ 822	$ 17
Cash and Investment Assets - Ending					
Cash and investments	$ 1,589	$ 6,485	$ 70	$ 822	$ 17
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 1,589	$ 6,485	$ 70	$ 822	$ 17
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	1,589	6,485	70	822	17
Total cash and investment fund balance - ending	$ 1,589	$ 6,485	$ 70	$ 822	$ 17

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Town Meeting	Visual and Performing Arts	Wabash Valley Youth Orch.	Indiana Heritage Arts	ECIA Title I 07-08
Receipts:					
Local sources	$ -	$ 21,851	$ -	$ -	$ -
State sources	-	-	-	-	-
Federal sources	-	-	-	-	305,269
Other	-	-	-	-	-
Total receipts	-	21,851	-	-	305,269
Disbursements:					
Current:					
Instruction	-	23,321	-	-	208,148
Support services	-	-	-	-	44,706
Noninstructional services	-	-	-	-	2,654
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	23,321	-	-	255,508
Excess (deficiency) of receipts over disbursements	-	(1,470)	-	-	49,761
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,470)	-	-	49,761
Cash and investments - beginning	52	14,981	477	87	-
Cash and investments - ending	$ 52	$ 13,511	$ 477	$ 87	$ 49,761
Cash and Investment Assets - Ending					
Cash and investments	$ 52	$ 13,511	$ 477	$ 87	$ 49,761
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 52	$ 13,511	$ 477	$ 87	$ 49,761
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	52	13,511	477	87	49,761
Total cash and investment fund balance - ending	$ 52	$ 13,511	$ 477	$ 87	$ 49,761

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	ECIA Title I 06-07	Title V Part A Innovative Strategies 07-08	Title VI 2001-02 PL 103-382	Drug Free Schools TIVA	Drug Free Schools 05-06
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-
Federal sources	21,000	2,695	-	-	-
Other	-	-	-	-	-
Total receipts	21,000	2,695	-	-	-
Disbursements:					
Current:					
Instruction	6,491	182	-	-	2,197
Support services	80	-	-	-	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	6,571	182	-	-	2,197
Excess (deficiency) of receipts over disbursements	14,429	2,513	-	-	(2,197)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	(31)	-
Total other financing sources (uses)	-	-	-	(31)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,429	2,513	-	(31)	(2,197)
Cash and investments - beginning	(14,429)	-	29	31	2,197
Cash and investments - ending	$ -	$ 2,513	$ 29	$ -	$ -
Cash and Investment Assets - Ending					
Cash and investments	$ -	$ 2,513	$ 29	$ -	$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ 2,513	$ 29	$ -	$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	2,513	29	-	-
Total cash and investment fund balance - ending	$ -	$ 2,513	$ 29	$ -	$ -

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Drug Free Schools 06-07	Drug Free Schools 07-08	Eisenhower Grant	Vocational Education Homemaking	Project Lead the Way Vocational Perkins
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	262
Federal sources	4,000	6,304	-	-	-
Other	-	-	-	-	-
Total receipts	4,000	6,304	-	-	262
Disbursements:					
Current:					
Instruction	6,336	1,747	-	-	-
Support services	-	-	-	-	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	6,336	1,747	-	-	-
Excess (deficiency) of receipts over disbursements	(2,336)	4,557	-	-	262
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,336)	4,557	-	-	262
Cash and investments - beginning	2,336	-	38	5	-
Cash and investments - ending	$ -	$ 4,557	$ 38	$ 5	$ 262
Cash and Investment Assets - Ending					
Cash and investments	$ -	$ 4,557	$ 38	$ 5	$ 262
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ 4,557	$ 38	$ 5	$ 262
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	4,557	38	5	262
Total cash and investment fund balance - ending	$ -	$ 4,557	$ 38	$ 5	$ 262

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Educate Indiana	Class Size Reduction	Improving Teacher Quality	Enhancing Education Through Technology	Title III Migrant
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-
Federal sources	-	-	61,936	91,967	-
Other	-	-	-	-	-
Total receipts	-	-	61,936	91,967	-
Disbursements:					
Current:					
Instruction	-	-	9,631	-	-
Support services	-	-	63,096	71,561	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	-	72,727	71,561	-
Excess (deficiency) of receipts over disbursements	-	-	(10,791)	20,406	-
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(10,791)	20,406	-
Cash and investments - beginning	4	52	14,160	6,144	275
Cash and investments - ending	$ 4	$ 52	$ 3,369	$ 26,550	$ 275
Cash and Investment Assets - Ending					
Cash and investments	$ 4	$ 52	$ 3,369	$ 26,550	$ 275
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 4	$ 52	$ 3,369	$ 26,550	$ 275
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	4	52	3,369	26,550	275
Total cash and investment fund balance - ending	$ 4	$ 52	$ 3,369	$ 26,550	$ 275

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Debt Service	School Bus Replacement	Construction	Energy Savings	Totals
Receipts:					
Local sources	$ 369,315	$ 84,919	$ -	$ -	$ 912,669
State sources	-	-	-	-	200,097
Federal sources	-	-	-	-	907,989
Other	-	-	-	-	879
Total receipts	369,315	84,919	-	-	2,021,634
Disbursements:					
Current:					
Instruction	-	-	-	-	278,430
Support services	28,139	260,216	-	10,843	613,139
Noninstructional services	-	-	-	-	733,475
Debt services	606,917	-	-	-	606,917
Nonprogrammed charges	-	-	-	-	85,941
Total disbursements	635,056	260,216	-	10,843	2,317,902
Excess (deficiency) of receipts over disbursements	(265,741)	(175,297)	-	(10,843)	(296,268)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	488
Transfers out	-	-	-	-	(31)
Total other financing sources (uses)	-	-	-	-	457
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(265,741)	(175,297)	-	(10,843)	(295,811)
Cash and investments - beginning	288,034	181,275	22,551	10,843	708,423
Cash and investments - ending	$ 22,293	$ 5,978	$ 22,551	$ -	$ 412,612
Cash and Investment Assets - Ending					
Cash and investments	$ -	$ 5,978	$ 22,551	$ -	$ 390,319
Restricted assets:					
Cash and investments	22,293	-	-	-	22,293
Total cash and investment assets - ending	$ 22,293	$ 5,978	$ 22,551	$ -	$ 412,612
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ 22,293	$ -	$ -	$ -	$ 22,293
Unrestricted	-	5,978	22,551	-	390,319
Total cash and investment fund balance - ending	$ 22,293	$ 5,978	$ 22,551	$ -	$ 412,612

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Special Education Preschool	School Lunch	Textbook Rental	Applied Math Mini Grant	Gifted and Talented
Receipts:					
Local sources	$ 5,174	$ 310,708	$ 84,503	$ -	$ 13
State sources	69,241	6,100	89,469	-	31,651
Federal sources	-	416,602	-	-	-
Other	-	324	-	-	-
Total receipts	74,415	733,734	173,972	-	31,664
Disbursements:					
Current:					
Instruction	-	-	-	348	22,523
Support services	-	2,863	182,125	-	13,760
Noninstructional services	-	763,619	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	96,768	-	-	-	-
Total disbursements	96,768	766,482	182,125	348	36,283
Excess (deficiency) of receipts over disbursements	(22,353)	(32,748)	(8,153)	(348)	(4,619)
Cash and investments - beginning	13,063	123,099	105,252	348	7,544
Cash and investments - ending	$ (9,290)	$ 90,351	$ 97,099	$ -	$ 2,925
Cash and Investment Assets - Ending					
Cash and investments	$ (9,290)	$ 90,351	$ 97,099	$ -	$ 2,925
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ (9,290)	$ 90,351	$ 97,099	$ -	$ 2,925
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	(9,290)	90,351	97,099	-	2,925
Total cash and investment fund balance - ending	$ (9,290)	$ 90,351	$ 97,099	$ -	$ 2,925

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Tech Prep	Non-English Speaking	School Technology	Technology Plan Grant	Performance Based Awards
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	1,799	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	-	1,799	-	-	-
Disbursements:					
Current:					
Instruction	-	71	499	-	27
Support services	-	3,033	-	5,662	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	3,104	499	5,662	27
Excess (deficiency) of receipts over disbursements	-	(1,305)	(499)	(5,662)	(27)
Cash and investments - beginning	653	1,306	1,589	6,485	70
Cash and investments - ending	$ 653	$ 1	$ 1,090	$ 823	$ 43
Cash and Investment Assets - Ending					
Cash and investments	$ 653	$ 1	$ 1,090	$ 823	$ 43
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 653	$ 1	$ 1,090	$ 823	$ 43
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	653	1	1,090	823	43
Total cash and investment fund balance - ending	$ 653	$ 1	$ 1,090	$ 823	$ 43

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Technology	CLASS Grant	Town Meeting	Visual and Performing Arts	Wabash Valley Youth Orch.
Receipts:					
Local sources	$ -	$ -	$ -	$ 21,521	$ -
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	-	-	-	21,521	-
Disbursements:					
Current:					
Instruction	-	-	-	16,390	-
Support services	-	-	-	-	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	-	-	16,390	-
Excess (deficiency) of receipts over disbursements	-	-	-	5,131	-
Cash and investments - beginning	822	17	52	13,511	477
Cash and investments - ending	$ 822	$ 17	$ 52	$ 18,642	$ 477
Cash and Investment Assets - Ending					
Cash and investments	$ 822	$ 17	$ 52	$ 18,642	$ 477
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 822	$ 17	$ 52	$ 18,642	$ 477
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	822	17	52	18,642	477
Total cash and investment fund balance - ending	$ 822	$ 17	$ 52	$ 18,642	$ 477

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Indiana Heritage Arts	ECIA Title 1 07-08	ECIA Title 1 08-09	Title V Part A Innovative Strategies 07-08	Title VI 2001-02 PL 103-382
Receipts:					
Local sources	$ -	$ -	$ 6	$ -	$ -
State sources	-	-	-	-	-
Federal sources	-	27,000	294,198	-	-
Other	-	-	-	-	-
Total receipts	-	27,000	294,204	-	-
Disbursements:					
Current:					
Instruction	-	45,924	258,424	-	-
Support services	-	9,893	90	-	-
Noninstructional services	-	-	3,914	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	55,817	262,428	-	-
Excess (deficiency) of receipts over disbursements	-	(28,817)	31,776	-	-
Cash and investments - beginning	87	49,761	-	2,513	29
Cash and investments - ending	$ 87	$ 20,944	$ 31,776	$ 2,513	$ 29
Cash and Investment Assets - Ending					
Cash and investments	$ 87	$ 20,944	$ 31,776	$ 2,513	$ 29
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 87	$ 20,944	$ 31,776	$ 2,513	$ 29
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	87	20,944	31,776	2,513	29
Total cash and investment fund balance - ending	$ 87	$ 20,944	$ 31,776	$ 2,513	$ 29

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Drug Free Schools 07-08	Drug Free Schools 08-09	Eisenhower Grant	Vocational Education Homemaking	Project Lead the Way Vocational Perkins
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	19,738
Federal sources	-	5,490	-	-	-
Other	-	-	-	-	-
Total receipts	-	5,490	-	-	19,738
Disbursements:					
Current:					
Instruction	4,557	5,490	-	-	19,770
Support services	-	-	-	-	-
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	4,557	5,490	-	-	19,770
Excess (deficiency) of receipts over disbursements	(4,557)	-	-	-	(32)
Cash and investments - beginning	4,557	-	38	5	262
Cash and investments - ending	$ -	$ -	$ 38	$ 5	$ 230
Cash and Investment Assets - Ending					
Cash and investments	$ -	$ -	$ 38	$ 5	$ 230
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ -	$ -	$ 38	$ 5	$ 230
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	-	38	5	230
Total cash and investment fund balance - ending	$ -	$ -	$ 38	$ 5	$ 230

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Educate Indiana	Class Size Reduction	Improving Teacher Quality	Enhancing Education Through Technology	Title III Migrant
Receipts:					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-
Federal sources	-	-	40,200	23,260	417
Other	-	-	-	-	-
Total receipts	-	-	40,200	23,260	417
Disbursements:					
Current:					
Instruction	-	-	-	-	137
Support services	-	-	61,955	15,402	138
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	-	61,955	15,402	275
Excess (deficiency) of receipts over disbursements	-	-	(21,755)	7,858	142
Cash and investments - beginning	4	52	3,369	26,550	275
Cash and investments - ending	$ 4	$ 52	$ (18,386)	$ 34,408	$ 417
Cash and Investment Assets - Ending					
Cash and investments	$ 4	$ 52	$ (18,386)	$ 34,408	$ 417
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	$ 4	$ 52	$ (18,386)	$ 34,408	$ 417
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	$ -	$ -	$ -	$ -	$ -
Unrestricted	4	52	(18,386)	34,408	417
Total cash and investment fund balance - ending	$ 4	$ 52	$ (18,386)	$ 34,408	$ 417

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Debt Service	School Bus Replacement	Construction	Totals
Receipts:				
Local sources	$ 606,121	$ 148,670	$ -	$ 1,176,716
State sources	-	-	-	217,998
Federal sources	-	-	-	807,167
Other	-	-	-	324
Total receipts	606,121	148,670	-	2,202,205
Disbursements:				
Current:				
Instruction	-	-	-	374,160
Support services	30,485	28,608	-	354,014
Noninstructional services	-	-	-	767,533
Debt services	569,668	-	-	569,668
Nonprogrammed charges	-	-	-	96,768
Total disbursements	600,153	28,608	-	2,162,143
Excess (deficiency) of receipts over disbursements	5,968	120,062	-	40,062
Cash and investments - beginning	22,293	5,978	22,551	412,612
Cash and investments - ending	$ 28,261	$ 126,040	$ 22,551	$ 452,674
Cash and Investment Assets - Ending				
Cash and investments	$ -	$ 126,040	$ 22,551	$ 424,413
Restricted assets:				
Cash and investments	28,261	-	-	28,261
Total cash and investment assets - ending	$ 28,261	$ 126,040	$ 22,551	$ 452,674
Cash and Investment Fund Balance - Ending				
Restricted for:				
Debt service	$ 28,261	$ -	$ -	$ 28,261
Unrestricted	-	126,040	22,551	424,413
Total cash and investment fund balance - ending	$ 28,261	$ 126,040	$ 22,551	$ 452,674

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended June 30, 2008

	Community Grant	Community Foundation Grant	Community Grant Gorman	School Wide Enhancement	Cape/Lilly Grant
Additions:					
Contributions:					
Other	$ 8	$ 120	$ -	$ -	$ -
Deductions:					
Administrative and general	-	-	5	-	-
Excess (deficiency) of total additions over total deductions	8	120	(5)	-	-
Cash and investment fund balance - beginning	-	-	-	1	57
Cash and Investments - June 30	$ 8	$ 120	$ (5)	$ 1	$ 57
Net assets:					
Cash and investments	$ 8	$ 120	$ (5)	$ 1	$ 57
Total net assets - cash and investment basis held in trust	$ 8	$ 120	$ (5)	$ 1	$ 57

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended June 30, 2008
(Continued)

	Wal-Mart Grant	Community Foundation Door Openers	Dental	Project Lead the Way Grant	Totals
Additions:					
Contributions:					
Other	$ -	$ -	$ 1,330	$ -	$ 1,458
Deductions:					
Administrative and general	131	-	423	33,569	34,128
Excess (deficiency) of total additions over total deductions	(131)	-	907	(33,569)	(32,670)
Cash and investment fund balance - beginning	131	94	2,970	-	3,253
Cash and Investments - June 30	$ -	$ 94	$ 3,877	$ (33,569)	$ (29,417)
Net assets:					
Cash and investments	$ -	$ 94	$ 3,877	$ (33,569)	$ (29,417)
Total net assets - cash and investment basis held in trust	$ -	$ 94	$ 3,877	$ (33,569)	$ (29,417)

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended June 30, 2009

	Community Grant	Daymude Tutoring Program	Community Foundation Grant	Community Grant Gorman	School Wide Enhancement
Additions:					
Contributions:					
Other	$ -	$ 3,500	$ -	$ -	$ -
Deductions:					
Administrative and general	-	-	-	-	-
Excess (deficiency) of total additions over total deductions	-	3,500	-	-	-
Cash and investment fund balance - beginning	8	-	120	(5)	1
Cash and Investments - June 30	$ 8	$ 3,500	$ 120	$ (5)	$ 1
Net assets:					
Cash and investments	$ 8	$ 3,500	$ 120	$ (5)	$ 1
Total net assets - cash and investment basis held in trust	$ 8	$ 3,500	$ 120	$ (5)	$ 1

WABASH CITY SCHOOLS
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended June 30, 2009
(Continued)

	Cape/Lilly Grant	Community Foundation Door Openers	Dental	Project Lead the Way Grant	Totals
Additions:					
Contributions:					
Other	$ -	$ -	$ 1,269	$ 29,869	$ 34,638
Deductions:					
Administrative and general	-	-	2,575	11,127	13,702
Excess (deficiency) of total additions over total deductions	-	-	(1,306)	18,742	20,936
Cash and investment fund balance - beginning	57	94	3,877	(33,569)	(29,417)
Cash and Investments - June 30	$ 57	$ 94	$ 2,571	$ (14,827)	$ (8,481)
Net assets:					
Cash and investments	$ 57	$ 94	$ 2,571	$ (14,827)	$ (8,481)
Total net assets - cash and investment basis held in trust	$ 57	$ 94	$ 2,571	$ (14,827)	$ (8,481)

WABASH CITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
School Building	$ 1,335,000	$ 138,921
Notes and loans payable:		
Common School Loan	2,400,000	294,000
Energy Savings Contract Loan	685,000	69,990
Total governmental activities debt	$ 4,420,000	$ 502,911

CONDITION OF RECORDS

Printed computerized reports of financial transactions presented for audit did not always contain every entry posted to the computerized accounting system. Reports that were reprinted during the course of the audit contained the entries missing from the original printouts. The missing entries were included in the financial reports (Form 9) submitted to the Indiana Department of Education.

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

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balance of the Community Grant Gorman Fund ($5) and Project Lead the Way Grant Fund ($33,569) were overdrawn at June 30, 2008. The cash balance of the Special Education Preschool Fund ($9,290), Improving Teacher Quality Fund ($18,386), Community Grant Gorman Fund ($5), and Project Lead the Way Grant Fund ($14,827) were overdrawn at June 30, 2009.

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)

APPROPRIATIONS

General Fund and Capital Projects Fund expenditures exceeded budgeted appropriations in 2008 by $182,496 and $45,368, respectively.

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

CERTIFIED REPORT NOT FILED

The School Corporation did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts in January 2008 or January 2009.

IC 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Records presented for audit that substantiate the Average Daily Membership (ADM) claimed by the School Corporation were not always certified by a building official.

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

CAPITAL ASSET RECORDS

Capital asset records have not been updated since June 30, 2008. Capital asset additions and deletions were not recorded for the 2008-09 school year.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ATHLETIC EVENT TICKET SALES (FORM SA-4) (Applies To Wabash Middle School and Wabash High School)

A number of instances were noted where the calculated sales on the ticket sales report did not agree with the monies received and deposited by the extra-curricular treasurer. The amount receipted was $387 more than the amount reported on the ticket sales report in one instance. Another instance revealed the amount receipted was $371 less than the amount reported on the ticket sales report. As a result, full accountability for all money received from admissions could not be determined.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE WABASH CITY SCHOOLS, WABASH COUNTY, INDIANA

Compliance

We have audited the compliance of the Wabash City Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in a School Corporation's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the School Corporation's management, school board, and 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 6, 2010

WABASH CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		$ 74,150	$ 85,679
National School Lunch Program	10.555		329,384	367,228
Summer Food Service Program for Children	10.559		-	14,288
Total for federal grantor agency			403,534	467,195
U.S. DEPARTMENT OF LABOR				
Pass-Through Purdue University				
WIA Pilots, Demonstrations, and Research Projects	17.261			
		WIRED-5-59	15,000	14,869
Total for federal grantor agency			15,000	14,869
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		07-8060	6,571	-
		08-8060	255,508	55,818
		09-8060	-	262,428
Total for cluster			262,079	318,246
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) -				
Education State Grants, Recovery Act	84.394	FY 2008-09	-	290,647
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		05-8060	2,197	-
		06-8060	6,336	-
		07-8060	1,747	4,557
		08-8060	-	5,490
Total for program			10,280	10,047
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education	84.243			
		C1-8-PLTW-7-561	-	19,770

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

WABASH CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF EDUCATION (Continued)				
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
		07-8060	182	-
Education Technology State Grants	84.318			
		S318X030014	1,567	-
		S318X040014	-	138
		S318X060014	69,994	15,264
Total for program			71,561	15,402
Pass-Through Region 8 Education Service Center				
English Language Acquisition Grants	84.365			
		FY 2008-09	-	275
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants	84.367			
		06-8060	72,727	4,762
		07-8060	-	57,193
Total for program			72,727	61,955
Total for federal grantor agency			416,829	716,342
U.S. DEPARTMENT OF HOMELAND SECURITY				
Pass-Through Indiana Department of Homeland Security				
Disaster Grants - Public Assistance	97.036			
		Disaster #1766	-	3,060
Total for federal grantor agency			-	3,060
Total federal awards expended			$ 835,363	$ 1,201,466

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

WABASH CITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Wabash City Schools (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	Year Ended June 30, 2008	Year Ended June 30, 2009
Child Nutrition Cluster:			
Food Commodities			
National School Lunch Program	10.555	$ 27,555	$ 36,305

WABASH CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	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
	Child Nutrition Cluster
	State Fiscal Stabilization Fund Cluster

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.

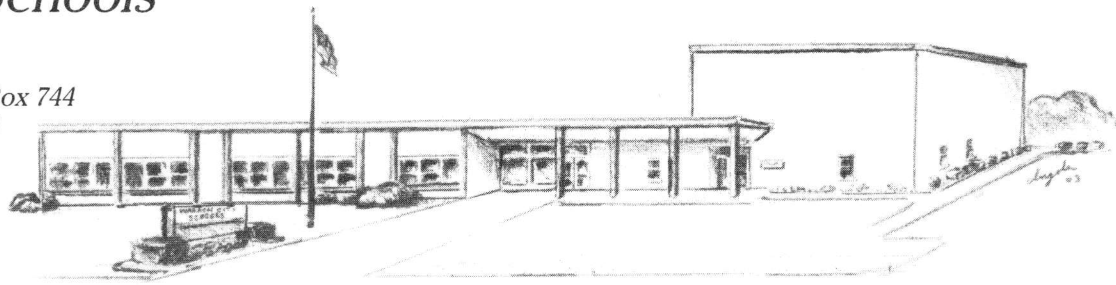
WABASH CITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

WABASH CITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 6, 2010, with Celia A. Herrell-Shand, Superintendent of Schools; Carol A. Smith, Treasurer; and Steve Weir, President of the School Board. The official response has been made a part of this report and may be found on pages 58 through 60.

Wabash City Schools
Administration Office
1101 Colerain Street • P.O. Box 744
Wabash, Indiana 46992-0744
Phone: 260/563-2151
Fax: 260/563-2066



January 11, 2010

Official Response
State Board of Accounts
301 W Washington St
Room E 418
Indianapolis, IN 46204-2765

To Whom It May Concern:

Attached is the Official Response to the audit of Wabash City Schools.

We wish to have this response attached to official audit document.

Thank you for your time on this matter.

Sincerely,
Celia Herrell-Shand
Celia Herrell Shand
Superintendent

Official Response
to the audit of
Wabash City Schools

This is the official response the audit of Wabash City Schools. The Exit Conference occurred on January 6, 2010. The contents of the audit were discussed by lead auditor, Maureen Sparks with Celia Shand, Superintendent, Steve Weir, Board President, Jan Roland, Chief Business Officer, and Carol Smith, Treasurer.

Corrective actions taken to the audit issues:

1. On reports requested by the auditors not all entries had been posted. The information was posted on the Form 9 reports. The Superintendent has required all reports to be double checked to make sure all information is posted so it can be shown on reports that are requested.

2. Some grant accounts were overdrawn. This occurred because of cash flow issues in two of the grants that are overdrawn. In the Project Lead the Way grant, how the monies were dispersed from the agency to WCS was not clear to WCS. Materials and supplies had to be ordered and paid for before the grant money arrived. In the Teacher Quality grant, the cash flow paperwork was presented in time to get the money into the grant account. The Community Foundation grant was over spent by $4. 64. More vigilant oversight of the accounts will be made.

3. Some General Fund accounts and Capital Projects accounts had over-expended appropriations. This occurred because of payments that were required to be made before reimbursement came in to Wabash City Schools. Two examples are as follows: A teacher is paid by Wabash City Schools and her salary is then reimbursed to WCS by Wabash Miami Area Program, the Special Education Co-op. Payment for damages caused by storms required payment before Indiana Insurance made the reimbursement. Better communication to the reimbursing agents will be initiated..

4. No Form 100-R was filed for the time frame of January through December 2008. This is a required form. The Superintendent has instructed the Treasurer to file the report on time and will follow up to make sure that it is done.

5. ADM/ME reports did not have rosters of students with principals' signatures. The Superintendent will direct the Technology Director to make sure that this occurs.

6. Fixed asset inventory was not current for the audit period. The Chief Business Officer will make sure the audit is done in the correct time frame.

Celia Herrell Shand
Superintendent

Extra Curricular Audit

RESPONSE TO AUDIT RESULTS AND COMMENTS

The reason for the discrepancies on the ticket reports are mainly due to the fact that we have volunteers who are working off passes as our ticket sellers. These volunteers vary from game to game and very seldom do we have the same ticket sellers on a consistent basis. Therefore on many instances we are over on the report because the ticket seller forgets to give everyone a ticket, or we are short because the ticket seller gives someone a ticket that they shouldn't.

The auditor told Mrs. Shultz and I that we should have two signatures on the SA-4 form and we agreed that we would do that carrying forward.

In response to the second section concerning the actual tickets and keeping ticket stubs. We do use colored and numbered tickets that are provided to us through the IHSAA. We have not kept ticket stubs and the auditor told Mrs. Shultz that we did not need to keep every stub as long as we stapled the first and last ticket to each report on the SA-4 form. We will start that practice immediately.

Matt Stone, AD
Wabash City Schools