

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

AUDIT REPORT
OF
WESTERN WAYNE SCHOOLS
WAYNE COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
02/15/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joyce Runyon	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Robert Mahon	07-01-07 to 06-30-10
President of the School Board	Steve Sweet Kent Fortman	07-01-07 to 06-30-08 07-01-08 to 06-30-10



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

TO: THE OFFICIALS OF THE WESTERN WAYNE SCHOOLS, WAYNE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Wayne 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 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 12, 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.

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

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

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, Schedule of Capital Assets, 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 Capital Assets and Schedule of Long-Term Debt have 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 them.

STATE BOARD OF ACCOUNTS

January 12, 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 WESTERN WAYNE SCHOOLS, WAYNE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Wayne 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 12, 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.

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 12, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,782,388	\$ -	\$ 135,066	\$ (4,647,322)
Support services	2,903,808	264,609	289,909	(2,349,290)
Noninstructional services	667,062	-	-	(667,062)
Facilities acquisition and construction	440,908	-	-	(440,908)
Debt service	2,130,751	-	-	(2,130,751)
Nonprogrammed charges	544,599	-	-	(544,599)
Total governmental activities	<u>\$ 11,469,516</u>	<u>\$ 264,609</u>	<u>\$ 424,975</u>	<u>(10,779,932)</u>
General receipts:				
Property taxes				3,421,920
Other local sources				586,202
State aid				5,616,205
Bonds and loans				1,677,205
Grants and contributions not restricted to specific programs				234,589
Sale of property				7,134
Investment earnings				54,220
Other				1,779
Total general receipts				<u>11,599,254</u>
Change in net assets				819,322
Net assets - beginning				<u>1,091,437</u>
Net assets - ending				<u>\$ 1,910,759</u>
<u>Assets</u>				
Cash and investments				\$ 1,775,971
Restricted assets:				
Cash and investments				<u>134,788</u>
Total assets				<u>\$ 1,910,759</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 134,788
Unrestricted				<u>1,775,971</u>
Total net assets				<u>\$ 1,910,759</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,541,222	\$ -	\$ 150,552	\$ (4,390,670)
Support services	3,384,098	253,567	305,970	(2,824,561)
Noninstructional services	743,063	-	-	(743,063)
Facilities acquisition and construction	185,239	-	-	(185,239)
Debt service	1,538,645	-	-	(1,538,645)
Nonprogrammed charges	438,186	-	-	(438,186)
Total governmental activities	<u>\$ 10,830,453</u>	<u>\$ 253,567</u>	<u>\$ 456,522</u>	<u>(10,120,364)</u>
General receipts:				
Property taxes				2,985,189
Other local sources				600,361
State aid				6,004,537
Bonds and loans				284,191
Grants and contributions not restricted to specific programs				896,614
Sale of property				898
Investment earnings				35,171
Other				4,255
Total general receipts				<u>10,811,216</u>
Change in net assets				690,852
Net assets - beginning				<u>1,910,759</u>
Net assets - ending				<u>\$ 2,601,611</u>
<u>Assets</u>				
Cash and investments				\$ 2,441,613
Restricted assets:				
Cash and investments				<u>159,998</u>
Total assets				<u>\$ 2,601,611</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 159,998
Unrestricted				<u>2,441,613</u>
Total net assets				<u>\$ 2,601,611</u>

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

WESTERN WAYNE 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	Rainy Day	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 1,637,000	\$ -	\$ 810,157	\$ 1,879,150	\$ 4,326,307
Intermediate sources	344	-	-	300	644
State sources	5,720,680	-	-	116,585	5,837,265
Federal sources	-	-	-	438,504	438,504
Temporary loans	508,891	-	749,002	419,312	1,677,205
Other	50	-	-	1,729	1,779
Total receipts	7,866,965	-	1,559,159	2,855,580	12,281,704
Disbursements:					
Current:					
Instruction	4,597,463	-	-	184,925	4,782,388
Support services	1,785,331	-	505,205	613,272	2,903,808
Noninstructional services	210,021	-	-	457,041	667,062
Facilities acquisition and construction	-	-	440,908	-	440,908
Debt services	508,891	-	272,810	1,349,050	2,130,751
Nonprogrammed charges	486,391	-	-	58,208	544,599
Total disbursements	7,588,097	-	1,218,923	2,662,496	11,469,516
Excess of receipts over disbursements	278,868	-	340,236	193,084	812,188
Other financing sources (uses):					
Sale of capital assets	281	-	-	6,853	7,134
Transfers in	1,506	200,000	-	15,116	216,622
Transfers out	(200,000)	-	-	(16,622)	(216,622)
Total other financing sources (uses)	(198,213)	200,000	-	5,347	7,134
Excess of receipts and other financing sources over disbursements and other financing uses	80,655	200,000	340,236	198,431	819,322
Cash and investments - beginning	542,319	200,000	12,857	336,261	1,091,437
Cash and investments - ending	\$ 622,974	\$ 400,000	\$ 353,093	\$ 534,692	\$ 1,910,759
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 622,974	\$ 400,000	\$ 353,093	\$ 399,904	\$ 1,775,971
Restricted assets:					
Cash and investments	-	-	-	134,788	134,788
Total cash and investment assets - ending	\$ 622,974	\$ 400,000	\$ 353,093	\$ 534,692	\$ 1,910,759
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 134,788	\$ 134,788
Unrestricted	622,974	400,000	353,093	399,904	1,775,971
Total cash and investment fund balance - ending	\$ 622,974	\$ 400,000	\$ 353,093	\$ 534,692	\$ 1,910,759

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

WESTERN WAYNE 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	Rainy Day	State Fiscal Stabilization	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 1,512,312	\$ -	\$ -	\$ 707,534	\$ 1,653,685	\$ 3,873,531
Intermediate sources	344	-	-	-	413	757
State sources	6,124,925	-	-	-	103,630	6,228,555
Federal sources	-	-	626,463	-	502,655	1,129,118
Temporary loans	-	-	-	222,102	62,089	284,191
Interfund loans	-	-	-	100,000	32,000	132,000
Other	50	-	-	3,135	1,070	4,255
Total receipts	7,637,631	-	626,463	1,032,771	2,355,542	11,652,407
Disbursements:						
Current:						
Instruction	4,337,834	-	-	-	203,388	4,541,222
Support services	2,082,665	-	-	600,667	700,766	3,384,098
Noninstructional services	238,822	-	-	-	504,241	743,063
Facilities acquisition and construction	-	-	-	185,239	-	185,239
Debt services	-	-	-	500,004	1,038,641	1,538,645
Nonprogrammed charges	403,506	-	-	-	34,680	438,186
Interfund loans	132,000	-	-	-	-	132,000
Total disbursements	7,194,827	-	-	1,285,910	2,481,716	10,962,453
Excess (deficiency) of receipts over disbursements	442,804	-	626,463	(253,139)	(126,174)	689,954
Other financing sources (uses)						
Sale of capital assets	495	-	-	-	403	898
Transfers in	1,929	600,000	-	-	35,148	637,077
Transfers out	(600,000)	-	-	-	(37,077)	(637,077)
Total other financing sources (uses)	(597,576)	600,000	-	-	(1,526)	898
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(154,772)	600,000	626,463	(253,139)	(127,700)	690,852
Cash and investments - beginning	622,974	400,000	-	353,093	534,692	1,910,759
Cash and investments - ending	\$ 468,202	\$ 1,000,000	\$ 626,463	\$ 99,954	\$ 406,992	\$ 2,601,611
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 468,202	\$ 1,000,000	\$ 626,463	\$ 99,954	\$ 246,994	\$ 2,441,613
Restricted assets:						
Cash and investments	-	-	-	-	159,998	159,998
Total cash and investment assets - ending	\$ 468,202	\$ 1,000,000	\$ 626,463	\$ 99,954	\$ 406,992	\$ 2,601,611
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 159,998	\$ 159,998
Unrestricted	468,202	1,000,000	626,463	99,954	246,994	2,441,613
Total cash and investment fund balance - ending	\$ 468,202	\$ 1,000,000	\$ 626,463	\$ 99,954	\$ 406,992	\$ 2,601,611

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 23,174
Investment earnings:		
Interest	<u>7,329</u>	<u>-</u>
Total additions	<u>7,329</u>	<u>23,174</u>
Deductions:		
Benefits	34,218	-
Administrative and general	<u>-</u>	<u>21,874</u>
Total deductions	<u>34,218</u>	<u>21,874</u>
Excess (deficiency) of total additions over (under) total deductions	(26,889)	1,300
Cash and investment fund balance - beginning	<u>236,475</u>	<u>6,458</u>
Cash and investment fund balance - ending	<u>\$ 209,586</u>	<u>\$ 7,758</u>
Net assets:		
Cash and investments	<u>\$ 209,586</u>	<u>\$ 7,758</u>
Total net assets - cash and investment basis held in trust	<u>\$ 209,586</u>	<u>\$ 7,758</u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 27,380
Investment earnings:		
Interest	<u>2,986</u>	<u>-</u>
Total additions	<u>2,986</u>	<u>27,380</u>
Deductions:		
Benefits	13,698	-
Administrative and general	<u>-</u>	<u>32,643</u>
Total deductions	<u>13,698</u>	<u>32,643</u>
Deficiency of total additions under total deductions	(10,712)	(5,263)
Cash and investment fund balance - beginning	<u>209,586</u>	<u>7,758</u>
Cash and investment fund balance - ending	<u>\$ 198,874</u>	<u>\$ 2,495</u>
Net assets:		
Cash and investments	<u>\$ 198,874</u>	<u>\$ 2,495</u>
Total net assets - cash and investment basis held in trust	<u>\$ 198,874</u>	<u>\$ 2,495</u>

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

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS

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: Western Wayne 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 Fayette County School Corporation, Rush County School Corporation, Franklin County School Corporation, Union County School Corporation, and Centerville-Abington School Corporation in a joint venture to operate Connersville Area Vocational School which was created to provide vocational education. The Connersville Area Vocational School's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Connersville Area Vocational School can be obtained from Fayette County School Corporation's Administrative Office at 1401 Spartan Drive, Connersville, IN 47331.

The School Corporation is a participant with Union County School Corporation, Franklin County School Corporation, and Northeastern Wayne School Corporation in a joint venture to operate East Central Special Services District which was created to engage in employment and purchases for the special education cooperative. The East Central Services District's continued existence depends on continued funding by the participants. The School Corporation is obligated for a share of the debts of the East Central Special Services District. Complete financial statements for the East Central Special Services District can be obtained from Union County School Corporation at 107 Layman Street, Liberty, IN 47353.

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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Fiscal stabilization-education (stimulus) 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.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance future benefits fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the eligible students.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 enterprise 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary 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 and proprietary 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:

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. 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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 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
Tech Planning Grant	\$ (1,901)	\$ -
Transportation Trips ECA	(1,247)	(2,526)

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

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

B. Interfund Transfers

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

Transfer From	Transfer To	June 30, 2008	June 30, 2009
General Fund	Rainy Day	\$ 200,000	\$ 600,000
Other governmental funds	General Fund	1,506	1,929
Other governmental funds	Other governmental funds	<u>15,116</u>	<u>35,148</u>
Totals		<u>\$ 216,622</u>	<u>\$ 637,077</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	Balance as Restated July 1, 2007
Governmental funds	\$ 1,097,895	\$ (6,458)	\$ 1,091,437
Fiduciary funds	236,475	6,458	242,933

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees

During 1996, the School Corporation joined with other governmental entities to form the Greater Randolph County Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for seven member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees and dependents. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. 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.

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 87,872
Interest on net pension obligation	(2,397)
Adjustment to annual required contribution	2,731
Annual pension cost	88,206
Contributions made	87,556
Increase in net pension obligation	650
Net pension obligation, beginning of year	(33,060)
Net pension obligation, end of year	\$ (32,410)
Contribution rates:	
School Corporation	8.5%
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

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	\$ 89,839	90%	\$ (28,149)
	06-30-07	81,903	106%	(33,060)
	06-30-08	88,206	99%	(32,410)

WESTERN WAYNE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$140,305, \$142,033, and \$126,859, respectively, equal to the required contribution for each of the fiscal years.

WESTERN WAYNE 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,150,647	\$ 1,357,769	\$ (207,122)	85%	\$ 1,030,588	(20%)
07-01-07	1,323,690	1,538,144	(214,454)	86%	1,114,464	(19%)
07-01-08	1,195,920	1,345,881	(149,961)	89%	910,458	(16%)

WESTERN WAYNE 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plate	Early Intervention	Gifted and Talented 2007-08
Receipts:							
Local sources	\$ 352,195	\$ 4,527	\$ 218,404	\$ 94,795	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	300	-	-
State sources	-	41,736	6,327	33,728	-	-	30,464
Federal sources	-	-	245,951	-	-	-	-
Temporary loans	268,267	2,904	-	-	-	-	-
Other	1,499	-	(20)	250	-	-	-
Total receipts	621,961	49,167	470,662	128,773	300	-	30,464
Disbursements:							
Current:							
Instruction	-	-	-	-	400	-	13,253
Support services	324,043	-	407	47,022	-	-	-
Noninstructional services	-	-	453,743	-	-	-	-
Debt services	227,758	-	-	-	-	-	-
Nonprogrammed charges	-	58,149	-	-	-	-	-
Total disbursements	551,801	58,149	454,150	47,022	400	-	13,253
Excess (deficiency) of receipts over (under) disbursements	70,160	(8,982)	16,512	81,751	(100)	-	17,211
Other financing sources (uses):							
Sale of capital assets	5,699	-	20	1,134	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	5,699	-	20	1,134	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	75,859	(8,982)	16,532	82,885	(100)	-	17,211
Cash and investments - beginning	15,539	8,982	77,714	1,315	2,100	1,000	-
Cash and investments - ending	\$ 91,398	\$ -	\$ 94,246	\$ 84,200	\$ 2,000	\$ 1,000	\$ 17,211
Cash and Investment Assets - Ending							
Cash and investments	\$ 91,398	\$ -	\$ 94,246	\$ 84,200	\$ 2,000	\$ 1,000	\$ 17,211
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 91,398	\$ -	\$ 94,246	\$ 84,200	\$ 2,000	\$ 1,000	\$ 17,211
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	91,398	-	94,246	84,200	2,000	1,000	17,211
Total cash and investment fund balance - ending	\$ 91,398	\$ -	\$ 94,246	\$ 84,200	\$ 2,000	\$ 1,000	\$ 17,211

WESTERN WAYNE 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)

	Gifted and Talented 2006-07	Gifted and Talented 2005-06	Medicaid Reimbursement	School Technology	Tech Planning Grant	Peer Helper
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	3,844	486	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	3,844	486	-	-
Disbursements:						
Current:						
Instruction	7,467	135	3,839	-	-	339
Support services	-	-	1,924	-	1,919	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	59	-	-	-
Total disbursements	7,467	135	5,822	-	1,919	339
Excess (deficiency) of receipts over (under) disbursements	(7,467)	(135)	(1,978)	486	(1,919)	(339)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,506)	-	-	-
Total other financing sources (uses)	-	-	(1,506)	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(7,467)	(135)	(3,484)	486	(1,919)	(339)
Cash and investments - beginning	7,467	135	30,881	59	18	339
Cash and investments - ending	\$ -	\$ -	\$ 27,397	\$ 545	\$ (1,901)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 27,397	\$ 545	\$ (1,901)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 27,397	\$ 545	\$ (1,901)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	27,397	545	(1,901)	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 27,397	\$ 545	\$ (1,901)	\$ -

WESTERN WAYNE 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)

	ISAI 2004-05	School Improvement 2005-06	Title I 2006-07	School Improvement 2006-07	School Improvement 2007-08	Title I 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	16,160	9,600	31,400	133,433
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	16,160	9,600	31,400	133,433
Disbursements:						
Current:						
Instruction	296	-	609	19,658	18,871	118,069
Support services	-	984	-	4,042	7,338	26,339
Noninstructional services	-	-	-	2,334	964	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	296	984	609	26,034	27,173	144,408
Excess (deficiency) of receipts over (under) disbursements	(296)	(984)	15,551	(16,434)	4,227	(10,975)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	15,116
Transfers out	-	-	(15,116)	-	-	-
Total other financing sources (uses)	-	-	(15,116)	-	-	15,116
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(296)	(984)	435	(16,434)	4,227	4,141
Cash and investments - beginning	1,093	984	(435)	16,434	9,600	-
Cash and investments - ending	\$ 797	\$ -	\$ -	\$ -	\$ 13,827	\$ 4,141
Cash and Investment Assets - Ending						
Cash and investments	\$ 797	\$ -	\$ -	\$ -	\$ 13,827	\$ 4,141
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 797	\$ -	\$ -	\$ -	\$ 13,827	\$ 4,141
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	797	-	-	-	13,827	4,141
Total cash and investment fund balance - ending	\$ 797	\$ -	\$ -	\$ -	\$ 13,827	\$ 4,141

WESTERN WAYNE 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)

	Title VI Innovative Education 2006-07	State Grants for Innovative Programs	Drug Free Schools 2005-06	Drug Free Schools 2006-07	High Schools That Work	Improving Teacher Quality 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	1,960	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	1,960	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	947
Support services	1,049	1,715	3,316	15,167	-	23,487
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,049	1,715	3,316	15,167	-	24,434
Excess (deficiency) of receipts over (under) disbursements	(1,049)	245	(3,316)	(15,167)	-	(24,434)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(1,049)	245	(3,316)	(15,167)	-	(24,434)
Cash and investments - beginning	1,939	-	3,316	17,850	140	38,156
Cash and investments - ending	\$ 890	\$ 245	\$ -	\$ 2,683	\$ 140	\$ 13,722
Cash and Investment Assets - Ending						
Cash and investments	\$ 890	\$ 245	\$ -	\$ 2,683	\$ 140	\$ 13,722
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 890	\$ 245	\$ -	\$ 2,683	\$ 140	\$ 13,722
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	890	245	-	2,683	140	13,722
Total cash and investment fund balance - ending	\$ 890	\$ 245	\$ -	\$ 2,683	\$ 140	\$ 13,722

WESTERN WAYNE 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)

	Improving Teacher Quality 2005-06	Enhancing Education Through Technology FY05	Debt Service	Retirement Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 955,656	\$ 74,310	\$ 179,263	\$ 1,879,150
Intermediate sources	-	-	-	-	-	300
State sources	-	-	-	-	-	116,585
Federal sources	-	-	-	-	-	438,504
Temporary loans	-	-	-	34,533	113,608	419,312
Other	-	-	-	-	-	1,729
Total receipts	-	-	955,656	108,843	292,871	2,855,580
Disbursements:						
Current:						
Instruction	1,042	-	-	-	-	184,925
Support services	14,258	49	-	-	140,213	613,272
Noninstructional services	-	-	-	-	-	457,041
Debt services	-	-	905,292	102,392	113,608	1,349,050
Nonprogrammed charges	-	-	-	-	-	58,208
Total disbursements	15,300	49	905,292	102,392	253,821	2,662,496
Excess (deficiency) of receipts over (under) disbursements	(15,300)	(49)	50,364	6,451	39,050	193,084
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	6,853
Transfers in	-	-	-	-	-	15,116
Transfers out	-	-	-	-	-	(16,622)
Total other financing sources (uses)	-	-	-	-	-	5,347
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(15,300)	(49)	50,364	6,451	39,050	198,431
Cash and investments - beginning	15,300	49	76,280	1,693	8,313	336,261
Cash and investments - ending	\$ -	\$ -	\$ 126,644	\$ 8,144	\$ 47,363	\$ 534,692
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 47,363	\$ 399,904
Restricted assets:						
Cash and investments	-	-	126,644	8,144	-	134,788
Total cash and investment assets - ending	\$ -	\$ -	\$ 126,644	\$ 8,144	\$ 47,363	\$ 534,692
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 126,644	\$ 8,144	\$ -	\$ 134,788
Unrestricted	-	-	-	-	47,363	399,904
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 126,644	\$ 8,144	\$ 47,363	\$ 534,692

WESTERN WAYNE 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plate	Early Intervention	Gifted and Talented 2008-09
Receipts:							
Local sources	\$ 315,960	\$ 4,732	\$ 196,292	\$ 81,886	\$ -	\$ -	\$ 1,068
Intermediate sources	-	-	-	-	413	-	-
State sources	-	35,477	5,458	31,731	-	500	30,464
Federal sources	-	-	260,144	-	-	-	-
Temporary loans	62,089	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	520	-	300	250	-	-	-
Total receipts	378,569	40,209	462,194	113,867	413	500	31,532
Disbursements:							
Current:							
Instruction	-	-	-	-	-	1,500	14,576
Support services	326,253	-	365	165,334	-	-	-
Noninstructional services	-	-	497,811	-	-	-	-
Debt services	125,131	2,904	-	-	-	-	-
Nonprogrammed charges	-	34,680	-	-	-	-	-
Total disbursements	451,384	37,584	498,176	165,334	-	1,500	14,576
Excess (deficiency) of receipts over (under) disbursements	(72,815)	2,625	(35,982)	(51,467)	413	(1,000)	16,956
Other financing sources (uses):							
Sale of capital assets	-	-	-	403	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	403	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(72,815)	2,625	(35,982)	(51,064)	413	(1,000)	16,956
Cash and investments - beginning	91,398	-	94,246	84,200	2,000	1,000	-
Cash and investments - ending	\$ 18,583	\$ 2,625	\$ 58,264	\$ 33,136	\$ 2,413	\$ -	\$ 16,956
Cash and Investment Assets - Ending							
Cash and investments	\$ 18,583	\$ 2,625	\$ 58,264	\$ 33,136	\$ 2,413	\$ -	\$ 16,956
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 18,583	\$ 2,625	\$ 58,264	\$ 33,136	\$ 2,413	\$ -	\$ 16,956
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	18,583	2,625	58,264	33,136	2,413	-	16,956
Total cash and investment fund balance - ending	\$ 18,583	\$ 2,625	\$ 58,264	\$ 33,136	\$ 2,413	\$ -	\$ 16,956

WESTERN WAYNE 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)

	Gifted and Talented 2007-08	Medicaid Reimbursement	School Technology	Tech Planning Grant	ISAI 2004-05	Title I 2008-09	School Improvement 2007-08
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	8,637	-	-	-	150,273	9,000
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	8,637	-	-	-	150,273	9,000
Disbursements:							
Current:							
Instruction	17,211	3,118	545	-	797	149,003	16,371
Support services	-	545	-	(1,901)	-	7,892	26
Noninstructional services	-	-	-	-	-	-	6,430
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	17,211	3,663	545	(1,901)	797	156,895	22,827
Excess (deficiency) of receipts over (under) disbursements	(17,211)	4,974	(545)	1,901	(797)	(6,622)	(13,827)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	20,148	-
Transfers out	-	(1,929)	-	-	-	-	-
Total other financing sources (uses)	-	(1,929)	-	-	-	20,148	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(17,211)	3,045	(545)	1,901	(797)	13,526	(13,827)
Cash and investments - beginning	17,211	27,397	545	(1,901)	797	-	13,827
Cash and investments - ending	\$ -	\$ 30,442	\$ -	\$ -	\$ -	\$ 13,526	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 30,442	\$ -	\$ -	\$ -	\$ 13,526	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 30,442	\$ -	\$ -	\$ -	\$ 13,526	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	30,442	-	-	-	13,526	-
Total cash and investment fund balance - ending	\$ -	\$ 30,442	\$ -	\$ -	\$ -	\$ 13,526	\$ -

WESTERN WAYNE 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)

	Title I 2007-08	Title VI Innovative Education 2006-07	State Grants for Innovative Programs	Drug Free Schools 2005-06	Drug Free Schools 2006-07	High Schools That Work
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	17,000	-	765	4,265	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	17,000	-	765	4,265	-	-
Disbursements:						
Current:						
Instruction	127	-	-	-	-	140
Support services	866	890	245	14,737	2,683	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	993	890	245	14,737	2,683	140
Excess (deficiency) of receipts over (under) disbursements	16,007	(890)	520	(10,472)	(2,683)	(140)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	15,000	-	-
Transfers out	(20,148)	-	-	-	-	-
Total other financing sources (uses)	(20,148)	-	-	15,000	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(4,141)	(890)	520	4,528	(2,683)	(140)
Cash and investments - beginning	4,141	890	245	-	2,683	140
Cash and investments - ending	\$ -	\$ -	\$ 765	\$ 4,528	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 765	\$ 4,528	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 765	\$ 4,528	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	765	4,528	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 765	\$ 4,528	\$ -	\$ -

WESTERN WAYNE 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)

	Improving Teacher Quality 2006-07	Improving Teacher Quality 2007-08	Debt Service	Retirement Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 840,225	\$ 63,591	\$ 149,931	\$ 1,653,685
Intermediate sources	-	-	-	-	-	413
State sources	-	-	-	-	-	103,630
Federal sources	-	52,571	-	-	-	502,655
Temporary loans	-	-	-	-	-	62,089
Interfund loans	-	-	-	32,000	-	32,000
Other	-	-	-	-	-	1,070
Total receipts	-	52,571	840,225	95,591	149,931	2,355,542
Disbursements:						
Current:						
Instruction	-	-	-	-	-	203,388
Support services	13,722	22,695	-	-	146,414	700,766
Noninstructional services	-	-	-	-	-	504,241
Debt services	-	-	806,886	103,720	-	1,038,641
Nonprogrammed charges	-	-	-	-	-	34,680
Total disbursements	13,722	22,695	806,886	103,720	146,414	2,481,716
Excess (deficiency) of receipts over (under) disbursements	(13,722)	29,876	33,339	(8,129)	3,517	(126,174)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	403
Transfers in	-	-	-	-	-	35,148
Transfers out	-	(15,000)	-	-	-	(37,077)
Total other financing sources (uses)	-	(15,000)	-	-	-	(1,526)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(13,722)	14,876	33,339	(8,129)	3,517	(127,700)
Cash and investments - beginning	13,722	-	126,644	8,144	47,363	534,692
Cash and investments - ending	\$ -	\$ 14,876	\$ 159,983	\$ 15	\$ 50,880	\$ 406,992
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 14,876	\$ -	\$ -	\$ 50,880	\$ 246,994
Restricted assets:						
Cash and investments	-	-	159,983	15	-	159,998
Total cash and investment assets - ending	\$ -	\$ 14,876	\$ 159,983	\$ 15	\$ 50,880	\$ 406,992
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 159,983	\$ 15	\$ -	\$ 159,998
Unrestricted	-	14,876	-	-	50,880	246,994
Total cash and investment fund balance - ending	\$ -	\$ 14,876	\$ 159,983	\$ 15	\$ 50,880	\$ 406,992

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

	<u>CAPE III Project</u>	<u>Transportation Trips ECA</u>	<u>Scholarships and Awards</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 7,500	\$ 12,770	\$ 2,904	\$ 23,174
Deductions:				
Administrative and general	<u>3,755</u>	<u>14,209</u>	<u>3,910</u>	<u>21,874</u>
Excess (deficiency) of total additions over (under) total deductions	3,745	(1,439)	(1,006)	1,300
Cash and investment fund balance - beginning	<u>2,755</u>	<u>192</u>	<u>3,511</u>	<u>6,458</u>
Cash and investments - ending	<u>\$ 6,500</u>	<u>\$ (1,247)</u>	<u>\$ 2,505</u>	<u>\$ 7,758</u>
Net assets:				
Cash and investments	<u>\$ 6,500</u>	<u>\$ (1,247)</u>	<u>\$ 2,505</u>	<u>\$ 7,758</u>
Total net assets - cash and investment basis held in trust	<u>\$ 6,500</u>	<u>\$ (1,247)</u>	<u>\$ 2,505</u>	<u>\$ 7,758</u>

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

	<u>CAPE III Project</u>	<u>Transportation Trips ECA</u>	<u>Scholarships and Awards</u>	<u>Wellness Program</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 550	\$ 15,972	\$ 4,258	\$ 6,600	\$ 27,380
Deductions:					
Administrative and general	<u>6,802</u>	<u>17,252</u>	<u>6,307</u>	<u>2,282</u>	<u>32,643</u>
Excess (deficiency) of total additions over (under) total deductions	(6,252)	(1,280)	(2,049)	4,318	(5,263)
Cash and investment fund balance - beginning	<u>6,500</u>	<u>(1,247)</u>	<u>2,505</u>	<u>-</u>	<u>7,758</u>
Cash and investments - ending	<u>\$ 248</u>	<u>\$ (2,527)</u>	<u>\$ 456</u>	<u>\$ 4,318</u>	<u>\$ 2,495</u>
Net assets:					
Cash and investments	<u>\$ 248</u>	<u>\$ (2,527)</u>	<u>\$ 456</u>	<u>\$ 4,318</u>	<u>\$ 2,495</u>
Total net assets - cash and investment basis held in trust	<u>\$ 248</u>	<u>\$ (2,527)</u>	<u>\$ 456</u>	<u>\$ 4,318</u>	<u>\$ 2,495</u>

WESTERN WAYNE SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 373,062
Buildings	16,490,715
Improvements other than buildings	1,439,323
Machinery and equipment	<u>2,667,065</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 20,970,165</u>

WESTERN WAYNE 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:		
Notes and loans payable	\$ 4,772,763	\$ 941,583
Bonds payable:		
General obligation bonds:		
Retirement/Pension	<u>545,000</u>	<u>67,487</u>
Total governmental activities debt	<u>\$ 5,317,763</u>	<u>\$ 1,009,070</u>

WESTERN WAYNE SCHOOLS
AUDIT RESULT AND COMMENT

ACADEMIC HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates the amount reported for Academic Honors diplomas was incorrect for the school year ending June 30, 2008. A similar comment appeared in prior Report B31662.

<u>School Year</u>	<u>Count as Reported</u>	<u>Actual Count</u>	<u>Difference</u>
FY 2008	26	25	1

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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 WESTERN WAYNE SCHOOLS, WAYNE COUNTY, INDIANA

Compliance

We have audited the compliance of the Western Wayne 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.

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

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.

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 12, 2010

WESTERN WAYNE 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>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 54,285	\$ 60,808
National School Lunch Program	10.555		219,603	232,336
			<u>273,888</u>	<u>293,144</u>
Total for federal grantor agency				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		07-8355	454	-
		08-8355	144,408	993
		09-8355	-	156,895
		06-8355	984	-
		07-8355	11,515	-
		08-8355	27,173	22,827
			<u>184,534</u>	<u>180,715</u>
Total for cluster				
Career and Technical Education - Basic Grants to States	84.048	00-1303	-	140
Safe and Drug Free Schools and Communities - State Grants	84.186			
		05-097	3,316	-
		8355-06	15,167	2,683
		8355-07	-	14,737
			<u>18,483</u>	<u>17,420</u>
Total for program				
State Grants for Innovative Programs	84.298			
		06-8355	1,049	890
		07-8355	1,715	245
			<u>2,764</u>	<u>1,135</u>
Total for program				
Education Technology State Grants	84.318	SY2005-06	49	-
Improving Teacher Quality State Grants	84.367			
		05-087	15,300	-
		06-8355	24,434	13,722
		07-8355	-	22,695
			<u>39,734</u>	<u>36,417</u>
Total for program				
Total for federal grantor agency			<u>245,564</u>	<u>235,827</u>
Total federal awards expended			<u>\$ 519,452</u>	<u>\$ 528,971</u>

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

WESTERN WAYNE 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 Western Wayne 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			
School Breakfast Program	10.553	\$ 5,956	\$ 7,345
National School Lunch Program	10.555	<u>24,355</u>	<u>28,395</u>
Total for Cluster		<u>\$ 30,311</u>	<u>\$ 35,740</u>

WESTERN WAYNE 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:

Name of Federal Program or Cluster

Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DR. ROBERT MAHON
Superintendent



JOYCE RUNYON
Treasurer

PEGGY HUESMAN
Deputy Treasurer-Payroll

WESTERN WAYNE SCHOOLS

November 23, 2009

Summary Schedule of Prior Audit Findings

Finding No. 2007-1 Title I – Cash Management

Federal Agency: US Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number” 84,010
Pass-Through Entity: Indiana Department of Education

Audit Report #B31662
Fiscal Year 2007

Once the cash management finding was brought to our attention corrective action was taken to correct the issue. The corporation will make sure it complies with all cash management regulations in the future.

Sincerely,

A handwritten signature in cursive script that reads "Renée S. Lakes".

Renée S. Lakes
Principal, Western Wayne Elementary School

WESTERN WAYNE SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2010, with Dr. Robert Mahon, Superintendent of Schools; and Joyce Runyon, Treasurer.