

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

AUDIT REPORT
OF

METROPOLITAN SCHOOL DISTRICT
OF PERRY TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
02/25/2010

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|-----------------------------|----------------------|
| Treasurer | Robert Harris | 07-01-07 to 01-15-10 |
| | J. Michael Bagley (Interim) | 01-16-10 to 06-30-10 |
| Superintendent of Schools | Dennis Nichols (Interim) | 07-01-07 to 06-30-08 |
| | Dr. Thomas Little, Jr. | 07-01-08 to 06-30-10 |
| President of the School Board | Barbara Thompson | 07-01-07 to 06-30-08 |
| | Steve Maple | 07-01-08 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 METROPOLITAN SCHOOL DISTRICT
OF PERRY TOWNSHIP, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Perry Township (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 February 2, 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

February 2, 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 METROPOLITAN SCHOOL DISTRICT
OF PERRY TOWNSHIP, MARION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Perry Township (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 February 2, 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 Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

February 2, 2010

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

| <u>Functions/Programs</u> | <u>Disbursements</u> | <u>Program Receipts</u> | | <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 | \$ 67,063,807 | \$ - | \$ 936,492 | \$ (66,127,315) |
| Support services | 55,948,053 | 3,489,619 | 4,215,029 | (48,243,405) |
| Noninstructional services | 6,760,382 | - | - | (6,760,382) |
| Facilities acquisition and construction | 7,561,887 | - | - | (7,561,887) |
| Debt service | 36,618,512 | - | - | (36,618,512) |
| Nonprogrammed charges | 6,329,600 | - | - | (6,329,600) |
| Total governmental activities | \$ 180,282,241 | \$ 3,489,619 | \$ 5,151,521 | (171,641,101) |
| | | | | |
| General receipts: | | | | |
| Property taxes | | | | 49,806,162 |
| Other local sources | | | | 18,853,316 |
| State aid | | | | 48,150,750 |
| Bonds and loans | | | | 38,066,383 |
| Grants and contributions not restricted to specific programs | | | | 20,502,559 |
| Sale of property | | | | 2,984 |
| Investment earnings | | | | 1,047,369 |
| Other | | | | 23,112 |
| Total general receipts | | | | 176,452,635 |
| | | | | |
| Change in net assets | | | | 4,811,534 |
| | | | | |
| Net assets - beginning | | | | 16,860,244 |
| | | | | |
| Net assets - ending | | | | \$ 21,671,778 |
| | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | | | | \$ 20,844,632 |
| Restricted assets: | | | | |
| Cash and investments | | | | 827,146 |
| Total assets | | | | \$ 21,671,778 |
| | | | | |
| <u>Net Assets</u> | | | | |
| Restricted for: | | | | |
| Debt service | | | | \$ 151,465 |
| Other purposes | | | | 675,681 |
| Unrestricted | | | | 20,844,632 |
| Total net assets | | | | \$ 21,671,778 |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

| <u>Functions/Programs</u> | <u>Disbursements</u> | <u>Program Receipts</u> | | <u>Totals</u> |
|--|-----------------------|---------------------------------|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Net (Disbursement) Receipts and Changes in Net Assets</u> |
| Governmental activities: | | | | |
| Instruction | \$ 57,010,954 | \$ - | \$ 1,571,740 | \$ (55,439,214) |
| Support services | 73,111,747 | 3,197,401 | 4,741,460 | (65,172,886) |
| Noninstructional services | 6,842,247 | - | - | (6,842,247) |
| Facilities acquisition and construction | 8,828,740 | - | - | (8,828,740) |
| Debt service | 45,303,281 | - | - | (45,303,281) |
| Nonprogrammed charges | <u>6,125,013</u> | <u>-</u> | <u>-</u> | <u>(6,125,013)</u> |
| Total governmental activities | <u>\$ 197,221,982</u> | <u>\$ 3,197,401</u> | <u>\$ 6,313,200</u> | <u>(187,711,381)</u> |
| General receipts: | | | | |
| Property taxes | | | | 44,923,051 |
| Other local sources | | | | 22,322,462 |
| State aid | | | | 60,676,522 |
| Bonds and loans | | | | 29,026,681 |
| Grants and contributions not restricted to specific programs | | | | 27,687,345 |
| Sale of property | | | | 14,900 |
| Investment earnings | | | | 348,411 |
| Other | | | | <u>52,122</u> |
| Total general receipts | | | | <u>185,051,494</u> |
| Change in net assets | | | | (2,659,887) |
| Net assets - beginning | | | | <u>21,671,778</u> |
| Net assets - ending | | | | <u>\$ 19,011,891</u> |
| <u>Assets</u> | | | | |
| Cash and investments | | | | \$ 14,698,321 |
| Restricted assets: | | | | |
| Cash and investments | | | | <u>4,313,570</u> |
| Total assets | | | | <u>\$ 19,011,891</u> |
| <u>Net Assets</u> | | | | |
| Restricted for: | | | | |
| Debt service | | | | \$ 3,658,475 |
| Other purposes | | | | 655,095 |
| Unrestricted | | | | <u>14,698,321</u> |
| Total net assets | | | | <u>\$ 19,011,891</u> |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
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 | Debt Service | Capital Projects | 6th Grade PMMS | Other | Totals |
|--|---------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Receipts: | | | | | | | | |
| Local sources | \$ 29,120,524 | \$ 4,032,000 | \$ - | \$ 12,277,364 | \$ 6,847,644 | \$ 84,987 | \$ 20,833,948 | \$ 73,196,467 |
| State sources | 57,490,384 | 2,550,706 | - | - | - | - | 1,900,046 | 61,941,136 |
| Federal sources | - | - | - | - | - | - | 11,863,693 | 11,863,693 |
| Temporary loans | 17,265,072 | 3,233,555 | - | 7,674,216 | 8,136,249 | - | 1,757,291 | 38,066,383 |
| Interfund loans | - | - | - | 3,000,000 | 3,000,000 | - | - | 6,000,000 |
| Other | 20,702 | 2,000 | - | - | - | - | 410 | 23,112 |
| Total receipts | 103,896,682 | 9,818,261 | - | 22,951,580 | 17,983,893 | 84,987 | 36,355,388 | 191,090,791 |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | 52,914,786 | - | - | - | - | - | 14,149,021 | 67,063,807 |
| Support services | 30,754,483 | 8,994,865 | 855,000 | - | 4,763,423 | - | 10,580,282 | 55,948,053 |
| Noninstructional services | 849,650 | - | - | - | - | - | 5,910,732 | 6,760,382 |
| Facilities acquisition and construction | 11,639 | - | - | - | 7,428,212 | 122,036 | - | 7,561,887 |
| Debt services | 13,000,000 | - | - | 20,642,373 | - | - | 2,976,139 | 36,618,512 |
| Nonprogrammed charges | 5,862,001 | - | - | - | - | - | - | 5,862,001 |
| Interfund loans | - | - | - | 3,000,000 | 3,000,000 | - | - | 6,000,000 |
| Total disbursements | 103,392,559 | 8,994,865 | 855,000 | 23,642,373 | 15,191,635 | 122,036 | 33,616,174 | 185,814,642 |
| Excess (deficiency) of receipts over disbursements | 504,123 | 823,396 | (855,000) | (690,793) | 2,792,258 | (37,049) | 2,739,214 | 5,276,149 |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | 2,984 | - | - | - | - | - | - | 2,984 |
| Transfers in | 500,000 | - | - | - | - | - | 300,510 | 800,510 |
| Transfers out | (225,000) | (110,000) | - | - | (85,000) | - | (880,510) | (1,300,510) |
| Total other financing sources (uses) | 277,984 | (110,000) | - | - | (85,000) | - | (580,000) | (497,016) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 782,107 | 713,396 | (855,000) | (690,793) | 2,707,258 | (37,049) | 2,159,214 | 4,779,133 |
| Cash and investments - beginning | 6,015,472 | 1,486,446 | 3,791,712 | 332,459 | 1,918,046 | 1,992,556 | 680,273 | 16,216,964 |
| Cash and investments - ending | \$ 6,797,579 | \$ 2,199,842 | \$ 2,936,712 | \$ (358,334) | \$ 4,625,304 | \$ 1,955,507 | \$ 2,839,487 | 20,996,097 |
| Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because: | | | | | | | | |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. | | | | | | | | |
| | | | | | | | | 675,681 |
| Net assets of governmental activities | | | | | | | | <u>\$ 21,671,778</u> |
| Cash and Investment Assets - Ending | | | | | | | | |
| Cash and investments | \$ 6,797,579 | \$ 2,199,842 | \$ 2,936,712 | \$ (358,334) | \$ 4,625,304 | \$ 1,955,507 | \$ 2,688,022 | \$ 20,844,632 |
| Restricted assets: | | | | | | | | |
| Cash and investments | - | - | - | - | - | - | 151,465 | 151,465 |
| Total cash and investment assets - ending | \$ 6,797,579 | \$ 2,199,842 | \$ 2,936,712 | \$ (358,334) | \$ 4,625,304 | \$ 1,955,507 | \$ 2,839,487 | \$ 20,996,097 |
| Cash and Investment Fund Balance - Ending | | | | | | | | |
| Restricted for: | | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 151,465 | \$ 151,465 |
| Unrestricted | 6,797,579 | 2,199,842 | 2,936,712 | (358,334) | 4,625,304 | 1,955,507 | 2,688,022 | 20,844,632 |
| Total cash and investment fund balance - ending | \$ 6,797,579 | \$ 2,199,842 | \$ 2,936,712 | \$ (358,334) | \$ 4,625,304 | \$ 1,955,507 | \$ 2,839,487 | \$ 20,996,097 |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
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 | Debt Service | Capital Projects | 6th Grade PMMS | Other | Totals |
|--|-----------------------|-----------------------------|---------------------|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Receipts: | | | | | | | | | |
| Local sources | \$ 26,749,170 | \$ 4,317,716 | \$ - | \$ - | \$ 12,928,686 | \$ 5,307,176 | \$ 16,277 | \$ 21,472,295 | \$ 70,791,320 |
| State sources | 69,752,044 | 2,615,510 | - | - | - | - | - | 2,240,936 | 74,608,490 |
| Federal sources | - | - | - | 6,797,893 | - | - | - | 13,270,689 | 20,068,582 |
| Temporary loans | 3,894,355 | 4,143,878 | - | - | 11,998,206 | 7,395,777 | - | 1,594,465 | 29,026,681 |
| Other | 47,522 | - | - | - | - | - | - | 4,600 | 52,122 |
| Total receipts | 100,443,091 | 11,077,104 | - | 6,797,893 | 24,926,892 | 12,702,953 | 16,277 | 38,582,985 | 194,547,195 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 45,813,091 | - | - | - | - | - | - | 11,197,863 | 57,010,954 |
| Support services | 42,318,619 | 8,881,083 | 1,226,420 | - | - | 5,212,626 | - | 15,472,999 | 73,111,747 |
| Noninstructional services | 869,323 | - | - | - | - | - | - | 5,972,924 | 6,842,247 |
| Facilities acquisition and construction | 23,886 | - | - | - | - | 8,769,904 | 34,950 | - | 8,828,740 |
| Debt services | 17,277,155 | 3,233,555 | - | - | 20,339,562 | - | - | 4,453,009 | 45,303,281 |
| Nonprogrammed charges | 5,588,758 | - | - | - | - | - | - | 15,669 | 5,604,427 |
| Total disbursements | 111,890,832 | 12,114,638 | 1,226,420 | - | 20,339,562 | 13,982,530 | 34,950 | 37,112,464 | 196,701,396 |
| Excess (deficiency) of receipts over disbursements | (11,447,741) | (1,037,534) | (1,226,420) | 6,797,893 | 4,587,330 | (1,279,577) | (18,673) | 1,470,521 | (2,154,201) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | 14,900 | - | - | - | - | - | - | - | 14,900 |
| Transfers in | 581,105 | 1,248,574 | 1,561 | - | - | - | - | 968,651 | 2,799,891 |
| Transfers out | (1,184,814) | (147,760) | (1,561) | - | (661,979) | (108,000) | - | (1,195,777) | (3,299,891) |
| Total other financing sources (uses) | (588,809) | 1,100,814 | - | - | (661,979) | (108,000) | - | (227,126) | (485,100) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (12,036,550) | 63,280 | (1,226,420) | 6,797,893 | 3,925,351 | (1,387,577) | (18,673) | 1,243,395 | (2,639,301) |
| Cash and investments - beginning | 6,797,579 | 2,199,842 | 2,936,712 | - | (358,334) | 4,625,304 | 1,955,507 | 2,839,487 | 20,996,097 |
| Cash and investments - ending | <u>\$ (5,238,971)</u> | <u>\$ 2,263,122</u> | <u>\$ 1,710,292</u> | <u>\$ 6,797,893</u> | <u>\$ 3,567,017</u> | <u>\$ 3,237,727</u> | <u>\$ 1,936,834</u> | <u>\$ 4,082,882</u> | 18,356,796 |
| Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because: | | | | | | | | | |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. | | | | | | | | | |
| | | | | | | | | | 655,095 |
| Net assets of governmental activities | | | | | | | | | <u>\$ 19,011,891</u> |
| Cash and Investment Assets - Ending | | | | | | | | | |
| Cash and investments | \$ (5,238,971) | \$ 2,263,122 | \$ 1,710,292 | \$ 6,797,893 | \$ - | \$ 3,237,727 | \$ 1,936,834 | \$ 3,991,424 | \$ 14,698,321 |
| Restricted assets: | | | | | | | | | |
| Cash and investments | - | - | - | - | 3,567,017 | - | - | 91,458 | 3,658,475 |
| Total cash and investment assets - ending | <u>\$ (5,238,971)</u> | <u>\$ 2,263,122</u> | <u>\$ 1,710,292</u> | <u>\$ 6,797,893</u> | <u>\$ 3,567,017</u> | <u>\$ 3,237,727</u> | <u>\$ 1,936,834</u> | <u>\$ 4,082,882</u> | <u>\$ 18,356,796</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | | | |
| Restricted for: | | | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ 3,567,017 | \$ - | \$ - | \$ 91,458 | \$ 3,658,475 |
| Unrestricted | (5,238,971) | 2,263,122 | 1,710,292 | 6,797,893 | - | 3,237,727 | 1,936,834 | 3,991,424 | 14,698,321 |
| Total cash and investment fund balance - ending | <u>\$ (5,238,971)</u> | <u>\$ 2,263,122</u> | <u>\$ 1,710,292</u> | <u>\$ 6,797,893</u> | <u>\$ 3,567,017</u> | <u>\$ 3,237,727</u> | <u>\$ 1,936,834</u> | <u>\$ 4,082,882</u> | <u>\$ 18,356,796</u> |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2008

| | Internal Service Fund |
|---|-----------------------------|
| Operating disbursements: | |
| Insurance claims and expense | 467,599 |
| Total operating disbursements | 467,599 |
| Deficiency of operating receipts over operating disbursements | (467,599) |
| Transfers in | 500,000 |
| Change in net assets | 32,401 |
| Cash and investment fund balance - beginning | 643,280 |
| Cash and investment fund balance - ending | \$ 675,681 |
| <u>Cash and Investment Assets - Ending</u> | |
| Restricted assets: | |
| Cash and investments | \$ 675,681 |
| <u>Cash and Investment Fund Balance - Ending</u> | |
| Restricted for: | |
| Other purposes | \$ 675,681 |
| Total cash and investment fund balance - ending | \$ 675,681 |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2009

| | Internal Service Fund |
|---|-----------------------------|
| Operating disbursements: | |
| Insurance claims and expense | 520,586 |
| Total operating disbursements | 520,586 |
| Deficiency of operating receipts over operating disbursements | (520,586) |
| Transfers in | 500,000 |
| Change in net assets | (20,586) |
| Cash and investment fund balance - beginning | 675,681 |
| Cash and investment fund balance - ending | \$ 655,095 |
| <u>Cash and Investment Assets - Ending</u> | |
| Restricted assets: | |
| Cash and investments | \$ 655,095 |
| <u>Cash and Investment Fund Balance - Ending</u> | |
| Restricted for: | |
| Other purposes | \$ 655,095 |
| Total cash and investment fund balance - ending | \$ 655,095 |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

| | Pension Trust Funds | Private-Purpose Trust Funds | Agency Fund |
|--|------------------------|--------------------------------|----------------|
| Additions: | | | |
| Contributions: | | | |
| Other | \$ 1,169,743 | \$ 99,001 | |
| Investment earnings: | | | |
| Interest | 194,472 | 74,284 | |
| Total additions | 1,364,215 | 173,285 | |
| Deductions: | | | |
| Benefits | 2,009,117 | - | |
| Administrative and general | - | 646,288 | |
| Total deductions | 2,009,117 | 646,288 | |
| Deficiency of total additions over total deductions | (644,902) | (473,003) | |
| Cash and investment fund balance - beginning | 5,291,197 | 1,164,442 | |
| Cash and investment fund balance - ending | \$ 4,646,295 | \$ 691,439 | \$ 847,858 |
| Net assets: | | | |
| Cash and investments | \$ 4,646,295 | \$ 691,439 | |
| Total net assets - cash and investment basis held in trust | \$ 4,646,295 | \$ 691,439 | |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

| | Pension Trust Funds | Private-Purpose Trust Funds | Agency Fund |
|--|------------------------|--------------------------------|----------------|
| Additions: | | | |
| Contributions: | | | |
| Other | 1,127,014 | 178,101 | |
| Investment earnings: | | | |
| Interest | 39,765 | 33,614 | |
| Total additions | 1,166,779 | 211,715 | |
| Deductions: | | | |
| Benefits | 1,729,799 | - | |
| Administrative and general | - | 320,357 | |
| Total deductions | 1,729,799 | 320,357 | |
| Deficiency of total additions over total deductions | (563,020) | (108,642) | |
| Cash and investment fund balance - beginning | 4,646,295 | 691,439 | |
| Cash and investment fund balance - ending | \$ 4,083,275 | \$ 582,797 | \$ 898,585 |
| Net assets: | | | |
| Cash and investments | \$ 4,083,275 | \$ 582,797 | |
| Total net assets - cash and investment basis held in trust | \$ 4,083,275 | \$ 582,797 | |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
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: Metropolitan School District of Perry Township

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 and administers a joint venture with School City of Beech Grove, Franklin Township Community School Corporation, and MSD of Decatur Township to operate the Relating Individualism to Special Education (RISE) Learning Center which was created to provide special education for handicapped children. The School Corporation is obligated by contract to remit funding based upon participation levels annually to supplement the RISE Learning Center. Because the School Corporation administers the joint venture, the financial activity of the RISE Learning Center is included in the financial statements of the School Corporation. Payments from participating school corporations are recorded as receipts from other sources and for the year ended June 30, 2009, totaled \$12,318,190.

The School Corporation is a participant with Avon Community School Corporation, School City of Beech Grove, Carmel Clay Schools, Center Grove Community School Corporation, Clark Pleasant Community School Corporation, Franklin Township Community School Corporation, Hamilton Southeastern School Corporation, Indianapolis Public Schools, Lebanon Community School Corporation, Metropolitan School District (MSD) of Decatur Township, MSD of Lawrence Township, MSD of Pike Township, MSD of Washington Township, MSD of Wayne Township, School Town of Speedway, Westfield Washington Community School Corporation, and Zionsville Community School Corporation, in a joint venture to operate the Central Indiana Educational Service Center (CIESC) which was created to provide certain programs and services for participating school corporations. The CIESC's continued existence depends on continued funding by the participating school corporations. To participate in the CIESC, each school corporation is billed an amount based upon their student population. Complete financial statements for the CIESC can be obtained from their offices at 6321 LaPas Trail, Indianapolis, Indiana.

The School Corporation is a participant with School City of Beech Grove, Center Grove Community School Corporation, Clark-Pleasant Community School Corporation, Edinburgh Community School Corporation, Franklin Community School Corporation, Franklin Township Community School Corporation, Greenwood Community School Corporation, and Nineveh-Hensley-Jackson United School Corporation in a joint venture to operate Central Nine Area Vocational

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

School (Central Nine) which was created to administer vocational educational programs. The School Corporation is obligated by contract to remit funding based upon participation levels annually to supplement the Central Nine. Complete financial statements for the Central Nine can be obtained from their offices at 1999 U.S. Highway 31, Greenwood, Indiana.

The School Corporation is a participant with Franklin Township Community School Corporation, Hamilton Southeastern School Corporation, MSD of Lawrence Township, MSD of Pike Township, MSD of Warren Township, MSD of Washington Township, and MSD of Wayne Township in a joint venture to operate the Metro Energy Gas Association (MEGA), which was created for the procurement of natural gas. The School Corporation is obligated by contract to remit administrative expenses for any fiscal year and any consultant fees that are apportioned equally amount the participating school corporations. Costs for any purchases of natural gas made will be apportioned based on the actual usage of natural gas determined through a metering process if at all possible and otherwise as determined by an approved consultant. The School Corporation is also obligated to pay any costs and expenses incurred which are determined by the Administrative Agent and sent in a monthly invoice. Complete financial statements for MEGA can be obtained from the MSD of Wayne Township, 1220 S. High School Road, Indianapolis, 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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 is used to account for funds in accordance with Indiana Code 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.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

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

The 6th grade pmms fund is used to account for receipts and disbursements concerning renovations to Perry Meridian Middle School.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for workers' compensation liability provided to other funds from which payroll disbursements are paid.

The pension trust funds account for bonds and payments anticipated to be made to employees on or after termination of employment or to pay post retirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the School Corporation or the students enrolled.

Agency funds account for assets held by the School Corporation as an agent for individuals, private organizations and other governments and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

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.

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

- 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.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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

1. Program Receipts

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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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 as follows:

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Internal activities – 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 except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. 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 years ended June 30, 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

| Fund | 2008 |
|--------------------------------|------------|
| Transportation Bus Replacement | \$ 213,061 |

These disbursements were funded by the available fund balance in the General Fund.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 | 2008 | 2009 |
|------------------------|--------------|-------------|
| Debt Service | \$ (358,334) | \$ - |
| General | - | (5,238,971) |
| School Lunch | (105,052) | - |
| Summer School Com 2006 | - | (82,286) |
| RISE Transportation | - | (283,629) |

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 School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$34,960,235. 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

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2009, the School Corporation had no investments or a formal investment policy.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

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

| Transfer From | Transfer To | 2008 | 2009 |
|--------------------------|--------------------------|---------------------|---------------------|
| General Fund | Transportation Operating | \$ - | \$ 1,081,574 |
| | Internal Service Fund | 225,000 | 103,240 |
| Debt Service | General Fund | - | 36,207 |
| | Other governmental funds | - | 625,772 |
| Capital Projects | General Fund | - | 60,000 |
| | Other governmental funds | 60,000 | - |
| | Internal Service Fund | 25,000 | 48,000 |
| Transportation Operating | Internal Service Fund | 110,000 | 147,760 |
| Rainy Day | Other governmental funds | - | 1,561 |
| Other governmental funds | General Fund | 500,000 | 484,898 |
| | Transportation Operating | - | 167,000 |
| | Rainy Day | - | 1,561 |
| | Other governmental funds | 240,510 | 341,318 |
| | Internal Service Fund | 140,000 | 201,000 |
| Totals | | <u>\$ 1,300,510</u> | <u>\$ 3,299,891</u> |

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; 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; 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.

Job Related Illnesses or Injuries to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the Workman's Compensation Self Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$1,000,000 per year. Settled claims resulting from this risk did not exceed

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Medical Benefits to Employees

During 1993-1994, the School Corporation joined with other governmental entities to form the Hoosier Benefit Trust, a public entity risk pool currently operating as a common risk management and insurance program for several member governmental entities. This risk pool was formed in 1992. The purpose of the risk pool is to provide a medium for the funding and administration of employee medical benefits. The School Corporation pays an annual premium to the risk pool for its employee medical benefit coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$250,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$250,000 limit.

B. Holding Corporation

The School Corporation has entered into capital leases with the Perry Township Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease payments during the year totaled \$14,357,742.

C. Other Postemployment Benefits

Agent Multiple-Employer Defined Benefit Healthcare Plan

Plan Description

The School Corporation's defined benefit postemployment healthcare plan, MSD Perry Township Retiree Benefit Plan, provides health and life insurance benefits to eligible retired School Corporation employees and their beneficiaries. The plan is affiliated with Hoosier School Benefit Trust, an agent multiple-employer postemployment healthcare plan administered by Meritain Health. Indiana Code 5-10-8 assigns the authority to establish and amend the benefit provisions of the plans that participate in the plan to the respective employer entities; for the plan, that authority rests with the School Corporation. Meritain Health issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting the plan administrator:

Meritain Health
9425 N. Meridian, Suite 100
Indianapolis, In. 46260
Phone: 317-472-9226

Funding Policy

The contribution requirements of plan members and the School Corporation are established and may be amended by the plans board of trustees. The plan members are divided into two different groups. Group 1 is Certified Personnel. Group 2 is Support Staff who retire from the School Corporation on or after attaining age 55. Eligible Group 1 employees must have at least 15 years of service with any school corporation, 10 of which must have been with the Metropolitan School

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

District (MSD) of Perry Township. Eligible Group 2 employees must have at least 10 years of service with the MSD of Perry Township. Currently, 121 retirees meet the eligibility requirements for health benefits and 151 retirees meet the eligibility requirements for life insurance benefits. For Group 1, the School Corporation and retirees provide 85% and 15%, respectively, of these health and life insurance benefits. For Group 2, the School Corporation contributes \$1,000 to a health plan and 85% toward the yearly life insurance premium. The retiree is responsible for the remaining 15% of the annual life insurance premium. Group 2 postemployment benefits cease when the retiree becomes 65 or eligible for Medicare. During the year ended June 30, 2009, disbursements of \$998,010 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-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.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

| | PERF |
|--|----------------|
| Annual required contribution | \$ 1,661,032 |
| Interest on net pension obligation | (94,875) |
| Adjustment to annual required contribution | 108,117 |
| Annual pension cost | 1,674,274 |
| Contributions made | 1,583,517 |
| Increase in net pension obligation | 90,757 |
| Increase in net beginning of year | (1,308,619) |
| Net pension obligation, end of year | \$ (1,217,862) |

| | PERF |
|--------------------------------|---|
| Contribution rates: | |
| School Corporation | 7.25% |
| Plan members | 3% |
| Actuarial valuation date | 07-01-07 |
| 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 |

| <u>Actuarial Assumptions</u> | 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% |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-06 | \$ 1,280,842 | 103% | \$ (1,472,466) |
| | 06-30-07 | 1,574,819 | 90% | (1,308,619) |
| | 06-30-08 | 1,674,274 | 95% | (1,217,862) |

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.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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 \$2,701,077, \$2,489,563, and \$2,221,107, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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 (Unfunded) AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------------|--|---|--|--------------------------|---------------------------|--|
| 07-01-06 | \$ 17,392,985 | \$ 20,616,701 | \$ (3,223,716) | 84% | \$ 20,584,316 | (16%) |
| 07-01-07 | 19,425,529 | 22,808,403 | (3,382,874) | 85% | 21,514,316 | (16%) |
| 07-01-08 | 21,208,267 | 25,691,244 | (4,482,977) | 83% | 22,187,103 | (20%) |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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

| | Pre-School Special Education | School Lunch | Textbook Rental | RISE | RISE Transportation | Alternative Education | Reading Recovery |
|--|------------------------------------|---------------------|--------------------|-------------------|------------------------|--------------------------|---------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 88,152 | \$ 3,009,679 | \$ 602,513 | \$ 10,686,842 | \$ 2,704,831 | \$ - | \$ 6,600 |
| State sources | 393,848 | 72,234 | 737,692 | 121,766 | 154,919 | - | 22,000 |
| Federal sources | - | 3,405,103 | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - |
| Other | - | 410 | - | - | - | - | - |
| Total receipts | 482,000 | 6,487,426 | 1,340,205 | 10,808,608 | 2,859,750 | - | 28,600 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | - | - | 8,864,986 | 193,053 | 34,788 | 13,582 |
| Support services | - | 413,838 | 1,075,200 | 2,420,557 | 2,540,127 | - | 8,397 |
| Noninstructional services | - | 5,720,703 | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Total disbursements | - | 6,134,541 | 1,075,200 | 11,285,543 | 2,733,180 | 34,788 | 21,979 |
| Excess (deficiency) of receipts over disbursements | 482,000 | 352,885 | 265,005 | (476,935) | 126,570 | (34,788) | 6,621 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | (500,000) | (60,000) | - | (25,000) | (55,000) | - | - |
| Total other financing sources (uses) | (500,000) | (60,000) | - | (25,000) | (55,000) | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (18,000) | 292,885 | 265,005 | (501,935) | 71,570 | (34,788) | 6,621 |
| Cash and investments - beginning | 225,845 | (397,937) | (197,892) | 608,921 | (52,259) | (915) | 59,172 |
| Cash and investments - ending | \$ 207,845 | \$ (105,052) | \$ 67,113 | \$ 106,986 | \$ 19,311 | \$ (35,703) | \$ 65,793 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 207,845 | \$ (105,052) | \$ 67,113 | \$ 106,986 | \$ 19,311 | \$ (35,703) | \$ 65,793 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 207,845 | \$ (105,052) | \$ 67,113 | \$ 106,986 | \$ 19,311 | \$ (35,703) | \$ 65,793 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 207,845 | (105,052) | 67,113 | 106,986 | 19,311 | (35,703) | 65,793 |
| Total cash and investment fund balance - ending | \$ 207,845 | \$ (105,052) | \$ 67,113 | \$ 106,986 | \$ 19,311 | \$ (35,703) | \$ 65,793 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Lumina Southport HS | ASAI Lumina PMHS | ASAI Lumina Southport HS | Gifted and Talented | Non-English Speaking | Technology | School Improvement 05-06 |
|--|------------------------|---------------------|-----------------------------|------------------------|-------------------------|-------------------|--------------------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 15,700 | \$ 10,000 | \$ 10,000 | \$ - | \$ - | \$ 489,694 | \$ - |
| State sources | - | - | - | 88,781 | 128,461 | - | 146,365 |
| Federal sources | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total receipts | 15,700 | 10,000 | 10,000 | 88,781 | 128,461 | 489,694 | 146,365 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | - | - | 17,980 | - | - | - |
| Support services | 60 | 10,747 | 9,540 | - | 51,351 | 372,143 | 121,770 |
| Noninstructional services | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Total disbursements | 60 | 10,747 | 9,540 | 17,980 | 51,351 | 372,143 | 121,770 |
| Excess (deficiency) of receipts over disbursements | 15,640 | (747) | 460 | 70,801 | 77,110 | 117,551 | 24,595 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 15,640 | (747) | 460 | 70,801 | 77,110 | 117,551 | 24,595 |
| Cash and investments - beginning | - | 7,598 | 1,206 | - | 14,551 | 216,363 | 120,596 |
| Cash and investments - ending | \$ 15,640 | \$ 6,851 | \$ 1,666 | \$ 70,801 | \$ 91,661 | \$ 333,914 | \$ 145,191 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 15,640 | \$ 6,851 | \$ 1,666 | \$ 70,801 | \$ 91,661 | \$ 333,914 | \$ 145,191 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 15,640 | \$ 6,851 | \$ 1,666 | \$ 70,801 | \$ 91,661 | \$ 333,914 | \$ 145,191 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 15,640 | 6,851 | 1,666 | 70,801 | 91,661 | 333,914 | 145,191 |
| Total cash and investment fund balance - ending | \$ 15,640 | \$ 6,851 | \$ 1,666 | \$ 70,801 | \$ 91,661 | \$ 333,914 | \$ 145,191 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Chinese Teacher Grant | Regional Library | Title I 05-06 | Title I School Improvement | Title I 06-07 | Title V |
|---|---------------------------|------------------------|----------------------|----------------------------------|--------------------------|----------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 31,799 | \$ - |
| State sources | 901 | - | - | - | - | - |
| Federal sources | - | - | - | 110,000 | 1,953,335 | 27,121 |
| Temporary loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | 901 | - | - | 110,000 | 1,985,134 | 27,121 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 59,821 | - | - | 102,422 | 1,595,957 | 348 |
| Support services | 8,762 | - | - | - | 386,411 | 26,583 |
| Noninstructional services | - | - | - | - | 20,509 | - |
| Debt services | - | - | - | - | - | - |
| Total disbursements | 68,583 | - | - | 102,422 | 2,002,877 | 26,931 |
| Excess (deficiency) of receipts over disbursements | (67,682) | - | - | 7,578 | (17,743) | 190 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | 229,737 | - |
| Transfers out | - | - | - | - | (229,737) | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (67,682) | - | - | 7,578 | (17,743) | 190 |
| Cash and investments - beginning | 10,434 | 2,400 | 639 | 14,197 | 479,373 | 56 |
| Cash and investments - ending | <u>\$ (57,248)</u> | <u>\$ 2,400</u> | <u>\$ 639</u> | <u>\$ 21,775</u> | <u>\$ 461,630</u> | <u>\$ 246</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ (57,248) | \$ 2,400 | \$ 639 | \$ 21,775 | \$ 461,630 | \$ 246 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ (57,248)</u> | <u>\$ 2,400</u> | <u>\$ 639</u> | <u>\$ 21,775</u> | <u>\$ 461,630</u> | <u>\$ 246</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | (57,248) | 2,400 | 639 | 21,775 | 461,630 | 246 |
| Total cash and investment fund balance - ending | <u>\$ (57,248)</u> | <u>\$ 2,400</u> | <u>\$ 639</u> | <u>\$ 21,775</u> | <u>\$ 461,630</u> | <u>\$ 246</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Learn and Service America | IDEA Silver | IDEA Special Ed Part B | Pre-School Handicapped | Summer School Com 2006 | Rock/ Boyz to Men |
|--|---------------------------------|-------------------|---------------------------|---------------------------|---------------------------|----------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 836 | \$ - |
| State sources | - | - | - | - | - | - |
| Federal sources | 40,000 | 5,509,751 | - | 191,835 | 31,350 | 80,440 |
| Temporary loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | 40,000 | 5,509,751 | - | 191,835 | 32,186 | 80,440 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | 2,776,341 | 116,065 | 122,606 | 6,482 | 2,808 |
| Support services | 26,399 | 2,590,980 | 76,747 | (3,622) | 750 | 5,420 |
| Noninstructional services | - | - | - | - | 82,699 | 85,414 |
| Debt services | - | - | - | - | - | - |
| Total disbursements | 26,399 | 5,367,321 | 192,812 | 118,984 | 89,931 | 93,642 |
| Excess (deficiency) of receipts over disbursements | 13,601 | 142,430 | (192,812) | 72,851 | (57,745) | (13,202) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 10,773 | - | - | - | - | - |
| Transfers out | (10,773) | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 13,601 | 142,430 | (192,812) | 72,851 | (57,745) | (13,202) |
| Cash and investments - beginning | 17,042 | - | 192,812 | (60,184) | 52,039 | 56,147 |
| Cash and investments - ending | \$ 30,643 | \$ 142,430 | \$ - | \$ 12,667 | \$ (5,706) | \$ 42,945 |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ 30,643 | \$ 142,430 | \$ - | \$ 12,667 | \$ (5,706) | \$ 42,945 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 30,643 | \$ 142,430 | \$ - | \$ 12,667 | \$ (5,706) | \$ 42,945 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 30,643 | 142,430 | - | 12,667 | (5,706) | 42,945 |
| Total cash and investment fund balance - ending | \$ 30,643 | \$ 142,430 | \$ - | \$ 12,667 | \$ (5,706) | \$ 42,945 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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 | 21st Century SHS | Tech Prep PMHS | First Robotics | Class Size Reduction | Enhance Technology |
|--|------------------|---------------------|-------------------|-------------------|-------------------------|-----------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ 87,263 | \$ - | \$ - | \$ - | \$ - |
| State sources | - | - | 33,079 | - | - | - |
| Federal sources | 67,046 | - | - | 16,472 | 251,785 | - |
| Temporary loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | <u>67,046</u> | <u>87,263</u> | <u>33,079</u> | <u>16,472</u> | <u>251,785</u> | <u>-</u> |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | - | - | 241,782 | - |
| Support services | 81,955 | 75,891 | 25,222 | 12,561 | 14,226 | 5,454 |
| Noninstructional services | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Total disbursements | <u>81,955</u> | <u>75,891</u> | <u>25,222</u> | <u>12,561</u> | <u>256,008</u> | <u>5,454</u> |
| Excess (deficiency) of receipts over disbursements | <u>(14,909)</u> | <u>11,372</u> | <u>7,857</u> | <u>3,911</u> | <u>(4,223)</u> | <u>(5,454)</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(14,909)</u> | <u>11,372</u> | <u>7,857</u> | <u>3,911</u> | <u>(4,223)</u> | <u>(5,454)</u> |
| Cash and investments - beginning | <u>35,129</u> | <u>(2,000)</u> | <u>(5,658)</u> | <u>(911)</u> | <u>(16,643)</u> | <u>5,454</u> |
| Cash and investments - ending | <u>\$ 20,220</u> | <u>\$ 9,372</u> | <u>\$ 2,199</u> | <u>\$ 3,000</u> | <u>\$ (20,866)</u> | <u>\$ -</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ 20,220 | \$ 9,372 | \$ 2,199 | \$ 3,000 | \$ (20,866) | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 20,220</u> | <u>\$ 9,372</u> | <u>\$ 2,199</u> | <u>\$ 3,000</u> | <u>\$ (20,866)</u> | <u>\$ -</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 20,220 | 9,372 | 2,199 | 3,000 | (20,866) | - |
| Total cash and investment fund balance - ending | <u>\$ 20,220</u> | <u>\$ 9,372</u> | <u>\$ 2,199</u> | <u>\$ 3,000</u> | <u>\$ (20,866)</u> | <u>\$ -</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Limited English | RISE Bond | Pension Debt | Transportation Bus Replacement | Repair and Replacement | Totals |
|---|--------------------|-------------------|------------------|--------------------------------------|---------------------------|---------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ 139,617 | \$ 2,026,506 | \$ 923,916 | \$ - | \$ 20,833,948 |
| State sources | - | - | - | - | - | 1,900,046 |
| Federal sources | 179,455 | - | - | - | - | 11,863,693 |
| Temporary loans | - | - | 1,151,547 | 605,744 | - | 1,757,291 |
| Other | - | - | - | - | - | 410 |
| Total receipts | 179,455 | 139,617 | 3,178,053 | 1,529,660 | - | 36,355,388 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | - | - | - | 14,149,021 |
| Support services | 222,813 | - | - | - | - | 10,580,282 |
| Noninstructional services | 1,407 | - | - | - | - | 5,910,732 |
| Debt services | - | - | 2,176,139 | 800,000 | - | 2,976,139 |
| Total disbursements | 224,220 | - | 2,176,139 | 800,000 | - | 33,616,174 |
| Excess (deficiency) of receipts over disbursements | (44,765) | 139,617 | 1,001,914 | 729,660 | - | 2,739,214 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | 60,000 | 300,510 |
| Transfers out | - | - | - | - | - | (880,510) |
| Total other financing sources (uses) | - | - | - | - | 60,000 | (580,000) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (44,765) | 139,617 | 1,001,914 | 729,660 | 60,000 | 2,159,214 |
| Cash and investments - beginning | 120,884 | - | (990,066) | 20,280 | 143,600 | 680,273 |
| Cash and investments - ending | \$ 76,119 | \$ 139,617 | \$ 11,848 | \$ 749,940 | \$ 203,600 | \$ 2,839,487 |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ 76,119 | \$ - | \$ - | \$ 749,940 | \$ 203,600 | \$ 2,688,022 |
| Restricted assets: | | | | | | |
| Cash and investments | - | 139,617 | 11,848 | - | - | 151,465 |
| Total cash and investment assets - ending | \$ 76,119 | \$ 139,617 | \$ 11,848 | \$ 749,940 | \$ 203,600 | \$ 2,839,487 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ 139,617 | \$ 11,848 | \$ - | \$ - | \$ 151,465 |
| Unrestricted | 76,119 | - | - | 749,940 | 203,600 | 2,688,022 |
| Total cash and investment fund balance - ending | \$ 76,119 | \$ 139,617 | \$ 11,848 | \$ 749,940 | \$ 203,600 | \$ 2,839,487 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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

| | Pre-School Special Education | School Lunch | Textbook Rental | RISE | RISE Transportation | Alternative Education | Early Intervention |
|---|------------------------------------|------------------|--------------------|-------------------|------------------------|--------------------------|-----------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 94,087 | \$ 3,082,082 | \$ 596,872 | \$ 9,776,523 | \$ 2,541,667 | \$ - | \$ - |
| State sources | 438,345 | 70,065 | 746,670 | 326,651 | 142,817 | 9,215 | 23,450 |
| Federal sources | - | 3,924,725 | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total receipts | 532,432 | 7,076,872 | 1,343,542 | 10,103,174 | 2,684,484 | 9,215 | 23,450 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | - | - | 6,289,401 | - | (18,246) | 12,391 |
| Support services | 4,246 | 733,113 | 1,566,016 | 3,325,316 | 2,866,424 | - | 5,539 |
| Noninstructional services | - | 5,793,990 | - | - | - | - | 57 |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 4,246 | 6,527,103 | 1,566,016 | 9,614,717 | 2,866,424 | (18,246) | 17,987 |
| Excess (deficiency) of receipts over disbursements | 528,186 | 549,769 | (222,474) | 488,457 | (181,940) | 27,461 | 5,463 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | 625,772 | - | - | - | - |
| Transfers out | (484,898) | (50,000) | - | (30,000) | (121,000) | - | - |
| Total other financing sources (uses) | (484,898) | (50,000) | 625,772 | (30,000) | (121,000) | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 43,288 | 499,769 | 403,298 | 458,457 | (302,940) | 27,461 | 5,463 |
| Cash and investments - beginning | 207,845 | (105,052) | 67,113 | 106,986 | 19,311 | (35,703) | - |
| Cash and investments - ending | \$ 251,133 | \$ 394,717 | \$ 470,411 | \$ 565,443 | \$ (283,629) | \$ (8,242) | \$ 5,463 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 251,133 | \$ 394,717 | \$ 470,411 | \$ 565,443 | \$ (283,629) | \$ (8,242) | \$ 5,463 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 251,133 | \$ 394,717 | \$ 470,411 | \$ 565,443 | \$ (283,629) | \$ (8,242) | \$ 5,463 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 251,133 | 394,717 | 470,411 | 565,443 | (283,629) | (8,242) | 5,463 |
| Total cash and investment fund balance - ending | \$ 251,133 | \$ 394,717 | \$ 470,411 | \$ 565,443 | \$ (283,629) | \$ (8,242) | \$ 5,463 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Reading Recovery | Lumina Southport HS | ASAI Lumina PMHS | ASAI Lumina Southport HS | Gifted and Talented | Non-English Speaking | Technology |
|---|-------------------------|------------------------|------------------------|-----------------------------|-------------------------|-------------------------|--------------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 13,801 | \$ - | \$ 10,001 | \$ 10,000 | \$ - | \$ - | \$ 350,938 |
| State sources | 16,000 | - | - | - | 88,781 | 117,226 | - |
| Federal sources | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total receipts | 29,801 | - | 10,001 | 10,000 | 88,781 | 117,226 | 350,938 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | 26,320 | - | - | - | 149,116 | 62,655 | - |
| Support services | 24,089 | 15,640 | 12,380 | 9,629 | - | 94,261 | 511,155 |
| Noninstructional services | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 50,409 | 15,640 | 12,380 | 9,629 | 149,116 | 156,916 | 511,155 |
| Excess (deficiency) of receipts over disbursements | (20,608) | (15,640) | (2,379) | 371 | (60,335) | (39,690) | (160,217) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (20,608) | (15,640) | (2,379) | 371 | (60,335) | (39,690) | (160,217) |
| Cash and investments - beginning | 65,793 | 15,640 | 6,851 | 1,666 | 70,801 | 91,661 | 333,914 |
| Cash and investments - ending | <u>\$ 45,185</u> | <u>\$ -</u> | <u>\$ 4,472</u> | <u>\$ 2,037</u> | <u>\$ 10,466</u> | <u>\$ 51,971</u> | <u>\$ 173,697</u> |
| <u>Cash and Investment Assets - Ending</u> | | | | | | | |
| Cash and investments | \$ 45,185 | \$ - | \$ 4,472 | \$ 2,037 | \$ 10,466 | \$ 51,971 | \$ 173,697 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 45,185</u> | <u>\$ -</u> | <u>\$ 4,472</u> | <u>\$ 2,037</u> | <u>\$ 10,466</u> | <u>\$ 51,971</u> | <u>\$ 173,697</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 45,185 | - | 4,472 | 2,037 | 10,466 | 51,971 | 173,697 |
| Total cash and investment fund balance - ending | <u>\$ 45,185</u> | <u>\$ -</u> | <u>\$ 4,472</u> | <u>\$ 2,037</u> | <u>\$ 10,466</u> | <u>\$ 51,971</u> | <u>\$ 173,697</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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 Literacy | School Improvement 05-06 | School Improvement | Chinese Teacher Grant | Regional Library | Smart Project |
|--|-------------------|--------------------------------|-----------------------|--------------------------|---------------------|------------------|
| Receipts: | | | | | | |
| Local sources | \$ 346,830 | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | - | 146,166 | 25,000 | - | - | 10,000 |
| Federal sources | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - |
| Other | - | 4,600 | - | - | - | - |
| Total receipts | 346,830 | 150,766 | 25,000 | - | - | 10,000 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | - | (45,495) | - | - |
| Support services | 239,876 | 187,109 | 16,511 | (11,753) | - | 4,526 |
| Noninstructional services | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Total disbursements | 239,876 | 187,109 | 16,511 | (57,248) | - | 4,526 |
| Excess (deficiency) of receipts over disbursements | 106,954 | (36,343) | 8,489 | 57,248 | - | 5,474 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 106,954 | (36,343) | 8,489 | 57,248 | - | 5,474 |
| Cash and investments - beginning | - | 145,191 | - | (57,248) | 2,400 | - |
| Cash and investments - ending | \$ 106,954 | \$ 108,848 | \$ 8,489 | \$ - | \$ 2,400 | \$ 5,474 |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 106,954 | \$ 108,848 | \$ 8,489 | \$ - | \$ 2,400 | \$ 5,474 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 106,954 | \$ 108,848 | \$ 8,489 | \$ - | \$ 2,400 | \$ 5,474 |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 106,954 | 108,848 | 8,489 | - | 2,400 | 5,474 |
| Total cash and investment fund balance - ending | \$ 106,954 | \$ 108,848 | \$ 8,489 | \$ - | \$ 2,400 | \$ 5,474 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Education Tech | Title I 05-06 | Title I School Improvement | Title I 06-07 | Title V | Learn and Service America |
|---|-------------------|------------------|----------------------------------|-------------------|-------------|---------------------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ 28,230 | \$ - | \$ - |
| State sources | 57,750 | - | - | - | - | - |
| Federal sources | - | - | 100,000 | 2,493,489 | - | - |
| Temporary loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | 57,750 | - | 100,000 | 2,521,719 | - | - |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | 10,806 | 1,987,887 | - | - |
| Support services | 57,166 | - | 10,078 | 553,557 | 246 | 47,430 |
| Noninstructional services | - | - | 1,892 | 41,080 | - | - |
| Debt services | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | 15,669 | - | - |
| Total disbursements | 57,166 | - | 22,776 | 2,598,193 | 246 | 47,430 |
| Excess (deficiency) of receipts over disbursements | 584 | - | 77,224 | (76,474) | (246) | (47,430) |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | 291,010 | - | - |
| Transfers out | - | - | - | (291,010) | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 584 | - | 77,224 | (76,474) | (246) | (47,430) |
| Cash and investments - beginning | - | 639 | 21,775 | 461,630 | 246 | 30,643 |
| Cash and investments - ending | <u>\$ 584</u> | <u>\$ 639</u> | <u>\$ 98,999</u> | <u>\$ 385,156</u> | <u>\$ -</u> | <u>\$ (16,787)</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ 584 | \$ 639 | \$ 98,999 | \$ 385,156 | \$ - | \$ (16,787) |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 584</u> | <u>\$ 639</u> | <u>\$ 98,999</u> | <u>\$ 385,156</u> | <u>\$ -</u> | <u>\$ (16,787)</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 584 | 639 | 98,999 | 385,156 | - | (16,787) |
| Total cash and investment fund balance - ending | <u>\$ 584</u> | <u>\$ 639</u> | <u>\$ 98,999</u> | <u>\$ 385,156</u> | <u>\$ -</u> | <u>\$ (16,787)</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | IDEA Silver | IDEA Special Ed Part B | Pre-School Handicapped | Summer School Com 2006 | Rock/ Boyz to Men | Drug Free |
|---|--------------------------|---------------------------|---------------------------|---------------------------|-------------------------|-------------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | - | - | - | - | - | - |
| Federal sources | 5,774,945 | 100,000 | 235,051 | 12,859 | 67,890 | 43,080 |
| Temporary loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | 5,774,945 | 100,000 | 235,051 | 12,859 | 67,890 | 43,080 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 2,213,655 | - | 166,432 | - | - | - |
| Support services | 3,453,569 | 95,100 | 41,357 | 11,274 | 532 | 40,581 |
| Noninstructional services | - | - | - | 109,502 | 9,481 | - |
| Debt services | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Total disbursements | 5,667,224 | 95,100 | 207,789 | 120,776 | 10,013 | 40,581 |
| Excess (deficiency) of receipts over disbursements | 107,721 | 4,900 | 27,262 | (107,917) | 57,877 | 2,499 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | 31,337 | - | - |
| Transfers out | - | - | - | - | (31,337) | - |
| Total other financing sources (uses) | - | - | - | 31,337 | (31,337) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 107,721 | 4,900 | 27,262 | (76,580) | 26,540 | 2,499 |
| Cash and investments - beginning | 142,430 | - | 12,667 | (5,706) | 42,945 | 20,220 |
| Cash and investments - ending | <u>\$ 250,151</u> | <u>\$ 4,900</u> | <u>\$ 39,929</u> | <u>\$ (82,286)</u> | <u>\$ 69,485</u> | <u>\$ 22,719</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ 250,151 | \$ 4,900 | \$ 39,929 | \$ (82,286) | \$ 69,485 | \$ 22,719 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 250,151</u> | <u>\$ 4,900</u> | <u>\$ 39,929</u> | <u>\$ (82,286)</u> | <u>\$ 69,485</u> | <u>\$ 22,719</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | <u>250,151</u> | <u>4,900</u> | <u>39,929</u> | <u>(82,286)</u> | <u>69,485</u> | <u>22,719</u> |
| Total cash and investment fund balance - ending | <u>\$ 250,151</u> | <u>\$ 4,900</u> | <u>\$ 39,929</u> | <u>\$ (82,286)</u> | <u>\$ 69,485</u> | <u>\$ 22,719</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | 21st Century SHS | Tech Prep PMHS | Project Lead the Way | First Robotics | Class Size Reduction | Limited English |
|---|---------------------|-------------------|-------------------------|-------------------|-------------------------|--------------------|
| Receipts: | | | | | | |
| Local sources | \$ 86,889 | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | - | 13,224 | 9,576 | - | - | - |
| Federal sources | - | - | - | 11,500 | 305,000 | 162,150 |
| Temporary loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | <u>86,889</u> | <u>13,224</u> | <u>9,576</u> | <u>11,500</u> | <u>305,000</u> | <u>162,150</u> |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | - | - | 307,797 | 6,678 |
| Support services | 88,951 | 20,691 | 9,576 | 11,500 | 20,664 | 157,089 |
| Noninstructional services | - | - | - | - | - | 16,922 |
| Debt services | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Total disbursements | <u>88,951</u> | <u>20,691</u> | <u>9,576</u> | <u>11,500</u> | <u>328,461</u> | <u>180,689</u> |
| Excess (deficiency) of receipts over disbursements | <u>(2,062)</u> | <u>(7,467)</u> | <u>-</u> | <u>-</u> | <u>(23,461)</u> | <u>(18,539)</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | 18,971 | - | - | - | - | - |
| Transfers out | <u>(18,971)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(2,062)</u> | <u>(7,467)</u> | <u>-</u> | <u>-</u> | <u>(23,461)</u> | <u>(18,539)</u> |
| Cash and investments - beginning | <u>9,372</u> | <u>2,199</u> | <u>-</u> | <u>3,000</u> | <u>(20,866)</u> | <u>76,119</u> |
| Cash and investments - ending | <u>\$ 7,310</u> | <u>\$ (5,268)</u> | <u>\$ -</u> | <u>\$ 3,000</u> | <u>\$ (44,327)</u> | <u>\$ 57,580</u> |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 7,310 | \$ (5,268) | \$ - | \$ 3,000 | \$ (44,327) | \$ 57,580 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 7,310</u> | <u>\$ (5,268)</u> | <u>\$ -</u> | <u>\$ 3,000</u> | <u>\$ (44,327)</u> | <u>\$ 57,580</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | <u>7,310</u> | <u>(5,268)</u> | <u>-</u> | <u>3,000</u> | <u>(44,327)</u> | <u>57,580</u> |
| Total cash and investment fund balance - ending | <u>\$ 7,310</u> | <u>\$ (5,268)</u> | <u>\$ -</u> | <u>\$ 3,000</u> | <u>\$ (44,327)</u> | <u>\$ 57,580</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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)

| | Refugee Grant 08-09 | RISE Bond | Pension Debt | Transportation Bus Replacement | Repair and Replacement | Totals |
|---|------------------------|------------------|------------------|--------------------------------------|---------------------------|---------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ 376,621 | \$ 2,239,391 | \$ 1,918,363 | \$ - | \$ 21,472,295 |
| State sources | - | - | - | - | - | 2,240,936 |
| Federal sources | 40,000 | - | - | - | - | 13,270,689 |
| Temporary loans | - | - | 1,171,246 | 423,219 | - | 1,594,465 |
| Other | - | - | - | - | - | 4,600 |
| Total receipts | <u>40,000</u> | <u>376,621</u> | <u>3,410,637</u> | <u>2,341,582</u> | <u>-</u> | <u>38,582,985</u> |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 28,466 | - | - | - | - | 11,197,863 |
| Support services | - | - | - | 1,241,245 | 8,316 | 15,472,999 |
| Noninstructional services | - | - | - | - | - | 5,972,924 |
| Debt services | - | 516,238 | 3,331,027 | 605,744 | - | 4,453,009 |
| Nonprogrammed charges | - | - | - | - | - | 15,669 |
| Total disbursements | <u>28,466</u> | <u>516,238</u> | <u>3,331,027</u> | <u>1,846,989</u> | <u>8,316</u> | <u>37,112,464</u> |
| Excess (deficiency) of receipts over disbursements | <u>11,534</u> | <u>(139,617)</u> | <u>79,610</u> | <u>494,593</u> | <u>(8,316)</u> | <u>1,470,521</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | 1,561 | - | - | 968,651 |
| Transfers out | - | - | (1,561) | (167,000) | - | (1,195,777) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(167,000)</u> | <u>-</u> | <u>(227,126)</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>11,534</u> | <u>(139,617)</u> | <u>79,610</u> | <u>327,593</u> | <u>(8,316)</u> | <u>1,243,395</u> |
| Cash and investments - beginning | <u>-</u> | <u>139,617</u> | <u>11,848</u> | <u>749,940</u> | <u>203,600</u> | <u>2,839,487</u> |
| Cash and investments - ending | <u>\$ 11,534</u> | <u>\$ -</u> | <u>\$ 91,458</u> | <u>\$ 1,077,533</u> | <u>\$ 195,284</u> | <u>\$ 4,082,882</u> |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 11,534 | \$ - | \$ - | \$ 1,077,533 | \$ 195,284 | \$ 3,991,424 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | 91,458 | - | - | 91,458 |
| Total cash and investment assets - ending | <u>\$ 11,534</u> | <u>\$ -</u> | <u>\$ 91,458</u> | <u>\$ 1,077,533</u> | <u>\$ 195,284</u> | <u>\$ 4,082,882</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ 91,458 | \$ - | \$ - | \$ 91,458 |
| Unrestricted | 11,534 | - | - | 1,077,533 | 195,284 | 3,991,424 |
| Total cash and investment fund balance - ending | <u>\$ 11,534</u> | <u>\$ -</u> | <u>\$ 91,458</u> | <u>\$ 1,077,533</u> | <u>\$ 195,284</u> | <u>\$ 4,082,882</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

| | Lilly Grant II | Small High School Reform | Martin Luther King | RISE Pulliam | Indianapolis Foundation | Partnership Coca-Cola | PTEC Taskforce | Totals |
|---|-------------------|-----------------------------|-----------------------|------------------|----------------------------|--------------------------|-------------------|-------------------|
| Additions: | | | | | | | | |
| Contributions: | | | | | | | | |
| Other | \$ - | \$ - | \$ - | \$ 75,000 | \$ 24,001 | \$ - | \$ - | \$ 99,001 |
| Investment earnings: | | | | | | | | |
| Interest | - | - | - | - | - | 74,284 | - | 74,284 |
| Total additions | - | - | - | 75,000 | 24,001 | 74,284 | - | 173,285 |
| Deductions: | | | | | | | | |
| Administrative and general | 433,666 | 29,137 | - | 49,458 | 24,300 | 93,922 | 15,805 | 646,288 |
| Excess (deficiency) of total additions over total deductions | (433,666) | (29,137) | - | 25,542 | (299) | (19,638) | (15,805) | (473,003) |
| Cash and investment fund balance - beginning | 1,040,181 | 29,137 | 1,187 | - | 1,385 | 59,758 | 32,794 | 1,164,442 |
| Cash and Investments - June 30 | <u>\$ 606,515</u> | <u>\$ -</u> | <u>\$ 1,187</u> | <u>\$ 25,542</u> | <u>\$ 1,086</u> | <u>\$ 40,120</u> | <u>\$ 16,989</u> | <u>\$ 691,439</u> |
| Net assets: | | | | | | | | |
| Cash and investments | <u>\$ 606,515</u> | <u>\$ -</u> | <u>\$ 1,187</u> | <u>\$ 25,542</u> | <u>\$ 1,086</u> | <u>\$ 40,120</u> | <u>\$ 16,989</u> | <u>\$ 691,439</u> |
| Total net assets - cash and investment basis held in trust | <u>\$ 606,515</u> | <u>\$ -</u> | <u>\$ 1,187</u> | <u>\$ 25,542</u> | <u>\$ 1,086</u> | <u>\$ 40,120</u> | <u>\$ 16,989</u> | <u>\$ 691,439</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

| | Lilly Grant II | Martin Luther King | RISE Pulliam | Library Grant 08-09 | Indianapolis Foundation | Partnership Coca-Cola | PTEC Taskforce | Edison Gift | Totals |
|---|-------------------|-----------------------|-----------------|------------------------|----------------------------|--------------------------|-------------------|------------------|-------------------|
| Additions: | | | | | | | | | |
| Contributions: | | | | | | | | | |
| Other | \$ - | \$ - | \$ - | \$ 119,500 | \$ 24,501 | \$ - | \$ - | \$ 34,100 | \$ 178,101 |
| Investment earnings: | | | | | | | | | |
| Interest | - | - | - | - | - | 33,614 | - | - | 33,614 |
| Total additions | - | - | - | 119,500 | 24,501 | 33,614 | - | 34,100 | 211,715 |
| Deductions: | | | | | | | | | |
| Administrative and general | 101,991 | - | 25,542 | 115,548 | 22,295 | 31,829 | 14,980 | 8,172 | 320,357 |
| Excess (deficiency) of total additions over total deductions | (101,991) | - | (25,542) | 3,952 | 2,206 | 1,785 | (14,980) | 25,928 | (108,642) |
| Cash and investment fund balance - beginning | 606,515 | 1,187 | 25,542 | - | 1,086 | 40,120 | 16,989 | - | 691,439 |
| Cash and Investments - June 30 | <u>\$ 504,524</u> | <u>\$ 1,187</u> | <u>\$ -</u> | <u>\$ 3,952</u> | <u>\$ 3,292</u> | <u>\$ 41,905</u> | <u>\$ 2,009</u> | <u>\$ 25,928</u> | <u>\$ 582,797</u> |
| Net assets: | | | | | | | | | |
| Cash and investments | <u>\$ 504,524</u> | <u>\$ 1,187</u> | <u>\$ -</u> | <u>\$ 3,952</u> | <u>\$ 3,292</u> | <u>\$ 41,905</u> | <u>\$ 2,009</u> | <u>\$ 25,928</u> | <u>\$ 582,797</u> |
| Total net assets - cash and investment basis held in trust | <u>\$ 504,524</u> | <u>\$ 1,187</u> | <u>\$ -</u> | <u>\$ 3,952</u> | <u>\$ 3,292</u> | <u>\$ 41,905</u> | <u>\$ 2,009</u> | <u>\$ 25,928</u> | <u>\$ 582,797</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2008

| | Payroll Clearing |
|--|---------------------|
| Additions: | |
| Agency fund additions | \$ 28,058,852 |
| Deductions: | |
| Agency fund deductions | 27,998,318 |
| Excess of total additions over total deductions | 60,534 |
| Cash and investment fund balance - beginning | 787,324 |
| Cash and investment fund balance - ending | \$ 847,858 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2009

| | Payroll Clearing |
|--|---------------------|
| Additions: | |
| Agency fund additions | \$ 28,471,262 |
| Deductions: | |
| Agency fund deductions | 28,419,535 |
| Excess of total additions over total deductions | 51,727 |
| Cash and investment fund balance - beginning | 847,858 |
| Cash and investment fund balance - ending | \$ 899,585 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 6,637,500 |
| Buildings | 222,618,881 |
| Improvements other than buildings | 29,931,229 |
| Machinery and equipment | <u>42,183,992</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 301,371,602</u> |

Metropolitan School District of Perry Township

Supplementary Information

Schedule of long term debt

June 30, 2009

| <u>Description of Debt</u> | <u>Ending Principal Balance</u> | <u>Principal & interest due within 1 year</u> |
|------------------------------------|---|---|
| Governmental Activities: | | |
| Capital leases: | | |
| 2003 lease rental bonds | \$32,195,000 | \$2,885,133 |
| 2001 lease rental bonds | \$13,180,000 | \$1,898,000 |
| 2003 lease rental bonds | \$17,685,000 | \$3,435,390 |
| 2005 refunding bonds | \$46,980,000 | \$5,760,688 |
| Bonds payable: | | |
| Severance bond | \$21,170,000 | \$2,179,387 |
| Total governmental activities debt | \$131,210,000 | \$16,158,598 |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

| Fund | Year | Excess Amount Expended |
|--------------------------------|------|------------------------------|
| Transportation Bus Replacement | 2008 | <u>\$ 213,061</u> |

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."

OVERDRAWN CASH BALANCES

The cash balance of the Debt Service Fund and School Lunch Fund were overdrawn at June 30, 2008, by \$358,334 and \$105,052. Also, the cash balance of the General Fund, Summer School Com 2006, and RISE Transportation were overdrawn at June 30, 2009, by \$5,238,971, \$82,286, and \$283,629.

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)

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 METROPOLITAN SCHOOL DISTRICT
OF PERRY TOWNSHIP, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Metropolitan School District of Perry Township (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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2009-1.

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

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)

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 Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

February 2, 2010

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
 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 | | | |
| | | FY07-08 | \$ 688,328 | \$ - |
| | | FY08-09 | - | 784,523 |
| National School Lunch Program | 10.555 | | | |
| | | FY07-08 | 3,134,736 | - |
| | | FY08-09 | - | 3,358,661 |
| Special Milk Program for Children | 10.556 | | | |
| | | FY07-08 | 3,021 | - |
| | | FY08-09 | - | 3,323 |
| Summer Service Program for Children | 10.559 | | | |
| | | FY07-08 | 61,531 | - |
| | | FY08-09 | - | 149,858 |
| Total for cluster | | | <u>3,887,616</u> | <u>4,296,365</u> |
| Fresh Fruit and Vegetable Program | 10.582 | | | |
| | | FY07-08 | 10,699 | - |
| | | FY08-09 | - | 32,023 |
| Total for program | | | <u>10,699</u> | <u>32,023</u> |
| Total for federal grantor agency | | | <u>3,898,315</u> | <u>4,328,388</u> |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| Pass-Through Indiana Department of Education | | | | |
| Title I Cluster | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | | | |
| Improvement | | 08-5340 | 102,422 | - |
| FY07-08 | | 08-5340 | 2,232,614 | - |
| Improvement | | 09-5340 | - | 22,776 |
| FY08-09 | | 09-5340 | - | 2,889,202 |
| Total for Cluster | | | <u>2,335,036</u> | <u>2,911,978</u> |
| Special Education Cluster (IDEA) | | | | |
| Special Education - Grants to States | 84.027 | | | |
| | | 14208-053-PN01 | 5,367,320 | - |
| | | 14208-054-DY01 | 192,812 | - |
| | | 14209-053-PN01 | - | 5,667,224 |
| | | 14209-054-DY01 | - | 95,100 |
| Total for program | | | <u>5,560,132</u> | <u>5,762,324</u> |
| Special Education - Preschool Grants | 84.173 | | | |
| | | 45708-053-PN01 | 118,984 | - |
| | | 45709-053-PN01 | - | 207,789 |
| Total for program | | | <u>118,984</u> | <u>207,789</u> |
| Total for Cluster | | | <u>5,679,116</u> | <u>5,970,113</u> |
| Pass Through Indiana Department of Workforce Development | | | | |
| Career and Technical Education - Basic Grants to States | 84.048 | | | |
| | | CPR680A | 12,561 | - |
| | | CPR7A80 | - | 11,500 |
| Total for program | | | <u>12,561</u> | <u>11,500</u> |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
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>U.S. DEPARTMENT OF EDUCATION (continued)</u> | | | | |
| Pass-Through Indiana Department of Education Safe & Drug Free Schools and Communities State Grants | 84.186 | 07-5340 | 81,595 | 40,580 |
| Pass Through Indiana Department of Workforce Development Tech-Prep Education SHS PMHS | 84.243 | | 25,222 | 20,691 |
| | | | - | 9,576 |
| Total for program | | | 25,222 | 30,267 |
| Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers | 84.287 | FY2007 FY2008 | 75,891 | - |
| | | | - | 107,992 |
| Total for program | | | 75,891 | 107,992 |
| State Grants for Innovative Programs | 84.298 | SY07-08 SY08-09 | 26,931 | - |
| | | | - | 246 |
| Total for program | | | 26,931 | 246 |
| Education Technology State Grants | 84.318 | SY06-07 | 5,454 | - |
| English Language Acquisition Grants | 84.365 | FY07-08 FY08-09 | 224,220 | - |
| | | | - | 180,689 |
| Total for program | | | 224,220 | 180,689 |
| Improving Teacher Quality State Grants | 84.367 | 07-5340 08-5340 | 256,008 | - |
| | | | - | 328,461 |
| Total for program | | | 256,008 | 328,461 |
| Total for federal grantor agency | | | 8,722,034 | 9,581,826 |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Pass-Through Indiana Department of Education Refugee and Entrant Assistance State Administered Program Children School Impact Grant | 93.576 | FY 08-09 | - | 28,466 |
| Total for federal grantor agency | | | - | 28,466 |
| <u>U.S. CORPORATION FOR NATIONAL & COMMUNITY SERVICE</u> | | | | |
| Pass-Through Indiana Department of Education Learn & Serve America - School and Community Based Programs | 94.004 | FY07-08 FY08-09 | 37,192 | - |
| | | | - | 47,430 |
| Total for federal grantor agency | | | 37,192 | 47,430 |
| Total federal awards expended | | | \$ 12,657,541 | \$ 13,986,110 |

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

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
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 Metropolitan School District of Perry Township (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 schools shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School 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 | 2008 | 2009 |
|-------------------------------|---------------------------|-------------------|-------------------|
| National School Lunch Program | 10.555 | <u>\$ 482,513</u> | <u>\$ 371,640</u> |

METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
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? yes

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|--|
| 84.010 | Child Nutrition Cluster Special Education Cluster Title I Grants to Local Educational Agencies |

Dollar threshold used to distinguish between Type A and Type B programs: \$799,310

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

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

Section III – Federal Award Findings and Questioned Costs

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Pass-Through Entity: Indiana Department of Education

FINDING 2009-1, CASH MANAGEMENT

We noted that in 8 of 12 months the ending cash balance was greater than 10% of the total approved grant award for the Title 1 Program.

EDGAR 80.20(b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized.



METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP

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Bob Harris
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Dr. Thomas J. Little, Jr.
Superintendent
tlittle@msdpt.k12.in.us

"Engagement of Students is Our Priority"

Finding Number: 2007-1, 2007-3, 2007-4, 2007-6
Allowable Cost/Cost Principles/Internal Controls Sig. Deficiency

Original SBA Audit Report Number: B 32898

Audit Period: July 1, 2007 to June 30, 2009

Auditee Contact: Bob Harris, Vickie Carpenter

Title of Contact Person: Chief Financial Officer
Executive Director of Foundation Learning

Phone Number: 317-789-3761

Status of Finding:

Our corrective action plan included;

1. The Business Office and the Special Programs Office will compare monthly statements of account balances for Title 1 and Title III monies for any discrepancies.
2. The Chief Financial Officer and Secretary will meet quarterly with the Executive Director of Foundation Learning and Title 1 Fiscal Coordinator to reconcile accounts.
3. We will create a Transfer of Account form that provides supporting documentation.

In order to correct these problems, the Business Office and Special Programs Office actually meet more than the monthly and quarterly requirements. We do reconcile and correct any discrepancies. We also developed the Transfer of Account form for better tracking of records. One other note, the Corrective Action Plan was not put into place until July of 2008 because the previous audit lasted longer than expected.



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"Engagement of Students is Our Priority"

Finding Number: 2007-2 Activities Allowed or Unallowed/Significant Deficiency

Original SBA Audit Report Number: B 32898

Audit Period: July 1, 2007 to June 30, 2009

Auditee Contact: Bob Harris, Vickie Carpenter

Title of Contact Person: Chief Financial Officer
Executive Director of Foundation Learning

Phone Number: 317-789-3761

Status of Finding:

Our Corrective Action Plan included;

1. The Business Office and the Special Programs office would meet, at the beginning of the year, with Title 1 employees to ensure proper completion of Time and Effort logs and certification reports
2. There would be a monthly review of both Time and Effort logs and certification reports
3. The Director will contact any employee who is not compliant and make corrections.

We did have the general meeting explaining these new processes. We actually have more meetings than the monthly required meeting for the Time and Effort logs and certification reports. We have up to date logs and reports. Once again, the Corrective Action Plan was not put into place until July 2008 because the previous audit took longer than expected.



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"Engagement of Students is Our Priority"

Finding Number: 2007-5 Cash Management
Original SBA Audit Report Number: B 32898
Audit Period: July 1, 2007 to June 30, 2009
Auditee Contact: Bob Harris, Vickie Carpenter
Title of Contact Person: Chief Financial Officer
Executive Director of Foundation Learning
Phone Number: 317-789-3761
Status of Finding:

Our Corrective Action Plan included;

1. Requesting Title 1 funds reasonably so that we do not have more than 10% of the Federal Grant amount cash balance for any quarter.
2. Review quarterly reports.

We have tried very hard not to exceed the 10% balance rule and we conducted several meetings between the Business Office and Special Programs Office to review and make sure of compliance.



METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP

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"Engagement of Students is Our Priority"

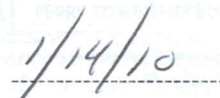
CORRECTIVE ACTION PLAN

FINDING 2009-1 Cash Management

| | |
|---------------------------|--|
| Federal Agency: | U.S. Department of Education |
| Federal Program: | Title 1 Grants to Local Educational Agencies |
| CFDA Number: | 84.010 |
| Auditee Contact Person: | Mike Bagley/Vickie Carpenter |
| Title of Contact Person: | CFO/Director of Special Programs |
| Expected Completion Date: | February 1, 2010 changes to policy and procedures will be Implemented |

- Distributions of Title 1 funds will be requested on reasonable prediction of expenditures for the 2009-2010 school year, so that we do not have more than 10% of the Federal Grant amount as cash balance for any quarter.
- Quarterly reports from the past year will be reviewed.

 CFO



METROPOLITAN SCHOOL DISTRICT OF PERRY TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on February 2, 2010, with J. Michael Bagley, Treasurer; Gloria Ramsey, Administrative Assistant to the Treasurer; Steve Maple, President of the School Board; and Dr. Thomas Little, Jr., Superintendent of Schools.