

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

AUDIT REPORT
OF
WARSAW COMMUNITY SCHOOLS
KOSCIUSKO COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED

03/09/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Erica M. Purvis	07-01-08 to 06-30-11
Superintendent of Schools	Dr. Robert E. Haworth Ralph J. Bailey (Interim) Vacant Dr. Craig J. Hintz	07-01-07 to 07-31-08 08-01-08 to 05-21-09 05-22-09 to 04-27-10 04-28-10 to 07-31-12
President of the School Board	Ronald C. Yeiter Deborah A. Wiggins	01-01-08 to 12-31-08 01-01-09 to 12-31-11



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 WARSAW COMMUNITY SCHOOLS, KOSCIUSKO COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warsaw Community Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 1, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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.

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

STATE BOARD OF ACCOUNTS

February 1, 2011



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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 WARSAW COMMUNITY SCHOOLS, KOSCIUSKO COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warsaw Community Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 1, 2011. 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.

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.

Compliance and Other Matters

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

This report is intended solely for the information and use of the School Corporation's management, 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 1, 2011

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<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	\$ 30,554,266	\$ -	\$ 357,305	\$ (30,196,961)
Support services	23,222,129	50,636	1,915,584	(21,255,909)
Noninstructional services	3,168,222	-	-	(3,168,222)
Facilities acquisition and construction	5,620,802	-	-	(5,620,802)
Debt service	16,455,487	-	-	(16,455,487)
Nonprogrammed charges	<u>452,807</u>	<u>-</u>	<u>-</u>	<u>(452,807)</u>
Total governmental activities	<u>\$ 79,473,713</u>	<u>\$ 50,636</u>	<u>\$ 2,272,889</u>	<u>(77,150,188)</u>
General receipts:				
Property taxes				39,822,677
Other local sources				6,610,664
State aid				28,193,480
Bonds and loans				9,328,452
Grants and contributions not restricted to specific programs				9,032,907
Investment earnings				101,873
Other				<u>475</u>
Total general receipts				<u>93,090,528</u>
Change in net assets				15,940,340
Net assets - beginning				<u>11,806,900</u>
Net assets - ending				<u>\$ 27,747,240</u>
<u>Assets</u>				
Cash and investments				\$ 15,865,034
Restricted assets:				
Cash and investments				<u>11,882,206</u>
Total assets				<u>\$ 27,747,240</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 5,562,299
Other purposes				6,319,907
Unrestricted				<u>15,865,034</u>
Total net assets				<u>\$ 27,747,240</u>

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

WARSAW COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 31,345,719	\$ -	\$ 252,386	\$ (31,093,333)
Support services	23,787,592	51,643	1,958,686	(21,777,263)
Noninstructional services	2,803,135	-	-	(2,803,135)
Facilities acquisition and construction	5,072,592	-	-	(5,072,592)
Debt service	11,633,227	-	-	(11,633,227)
Nonprogrammed charges	936,671	-	-	(936,671)
Total governmental activities	<u>\$ 75,578,936</u>	<u>\$ 51,643</u>	<u>\$ 2,211,072</u>	<u>(73,316,221)</u>
General receipts:				
Property taxes				19,099,403
Other local sources				4,221,362
State aid				38,862,881
Bonds and loans				2,577,154
Grants and contributions not restricted to specific programs				8,836,881
Investment earnings				43,994
Other				450
Total general receipts				<u>73,642,125</u>
Change in net assets				325,904
Net assets - beginning				<u>27,747,240</u>
Net assets - ending				<u>\$ 28,073,144</u>
<u>Assets</u>				
Cash and investments				\$ 17,239,411
Restricted assets:				
Cash and investments				<u>10,833,733</u>
Total assets				<u>\$ 28,073,144</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 5,162,245
Other purposes				5,671,488
Unrestricted				<u>17,239,411</u>
Total net assets				<u>\$ 28,073,144</u>

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

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

	General	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 17,349,000	\$ -	\$ 9,813,028	\$ 12,320,612	\$ 7,102,762	\$ 46,585,402
Intermediate sources	447	-	-	-	-	447
State sources	28,368,745	-	-	-	730,140	29,098,885
Federal sources	-	-	-	-	10,400,392	10,400,392
Temporary loans	4,221,129	-	2,269,090	364,794	2,473,439	9,328,452
Other	-	-	-	-	475	475
Total receipts	49,939,321	-	12,082,118	12,685,406	20,707,208	95,414,053
Disbursements:						
Current:						
Instruction	25,006,734	-	-	-	5,547,532	30,554,266
Support services	11,608,044	-	-	3,088,275	8,525,810	23,222,129
Noninstructional services	370,656	-	-	-	2,797,566	3,168,222
Facilities acquisition and construction	-	-	-	5,597,113	23,689	5,620,802
Debt services	7,139,284	-	7,112,332	-	2,203,871	16,455,487
Nonprogrammed charges	77,043	-	-	-	192,352	269,395
Total disbursements	44,201,761	-	7,112,332	8,685,388	19,290,820	79,290,301
Excess of receipts over disbursements	5,737,560	-	4,969,786	4,000,018	1,416,388	16,123,752
Other financing sources (uses):						
Transfers in	145,469	2,400,000	278,646	70,961	663,571	3,558,647
Transfers out	(2,796,330)	-	(33,575)	(54,541)	(674,201)	(3,558,647)
Total other financing sources (uses)	(2,650,861)	2,400,000	245,071	16,420	(10,630)	-
Excess of receipts and other financing sources over disbursements and other financing uses	3,086,699	2,400,000	5,214,857	4,016,438	1,405,758	16,123,752
Cash and investments - beginning	248,716	-	52,894	768,660	4,233,311	5,303,581
Cash and investments - ending	<u>\$ 3,335,415</u>	<u>\$ 2,400,000</u>	<u>\$ 5,267,751</u>	<u>\$ 4,785,098</u>	<u>\$ 5,639,069</u>	21,427,333
Amounts reported for governmental activities in the Statement of 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 operating receipts and operating disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>6,319,907</u>
Net assets of governmental activities						<u>\$ 27,747,240</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,335,415	\$ 2,400,000	\$ -	\$ 4,785,098	\$ 5,344,521	\$ 15,865,034
Restricted assets:						
Cash and investments	-	-	5,267,751	-	294,548	5,562,299
Total cash and investment assets - ending	<u>\$ 3,335,415</u>	<u>\$ 2,400,000</u>	<u>\$ 5,267,751</u>	<u>\$ 4,785,098</u>	<u>\$ 5,639,069</u>	<u>\$ 21,427,333</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 5,267,751	\$ -	\$ 294,548	\$ 5,562,299
Unrestricted	3,335,415	2,400,000	-	4,785,098	5,344,521	15,865,034
Total cash and investment fund balance - ending	<u>\$ 3,335,415</u>	<u>\$ 2,400,000</u>	<u>\$ 5,267,751</u>	<u>\$ 4,785,098</u>	<u>\$ 5,639,069</u>	<u>\$ 21,427,333</u>

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

WARSAW COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 631,678	\$ -	\$ 9,578,158	\$ 7,523,439	\$ 5,682,680	\$ 23,415,955
Intermediate sources	447	-	-	-	-	447
State sources	38,872,130	-	-	-	683,110	39,555,240
Federal sources	-	-	-	-	10,355,594	10,355,594
Temporary loans	-	-	-	-	618,554	618,554
Other	-	-	-	-	450	450
Total receipts	39,504,255	-	9,578,158	7,523,439	17,340,388	73,946,240
Disbursements:						
Current:						
Instruction	26,750,943	-	-	-	4,594,776	31,345,719
Support services	12,297,344	-	-	2,934,296	8,555,952	23,787,592
Noninstructional services	380,190	-	-	-	2,422,945	2,803,135
Facilities acquisition and construction	-	-	-	4,404,300	668,292	5,072,592
Debt services	-	-	9,914,770	364,794	1,353,663	11,633,227
Nonprogrammed charges	80,958	-	-	-	207,294	288,252
Total disbursements	39,509,435	-	9,914,770	7,703,390	17,802,922	74,930,517
Deficiency of receipts over disbursements	(5,180)	-	(336,612)	(179,951)	(462,534)	(984,277)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	1,958,600	1,958,600
Transfers in	156,534	-	29,080	54,541	1,134,127	1,374,282
Transfers out	(263,482)	-	(91,255)	(623,231)	(396,314)	(1,374,282)
Total other financing sources (uses)	(106,948)	-	(62,175)	(568,690)	2,696,413	1,958,600
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(112,128)	-	(398,787)	(748,641)	2,233,879	974,323
Cash and investments - beginning	3,335,415	2,400,000	5,267,751	4,785,098	5,639,069	21,427,333
Cash and investments - ending	<u>\$ 3,223,287</u>	<u>\$ 2,400,000</u>	<u>\$ 4,868,964</u>	<u>\$ 4,036,457</u>	<u>\$ 7,872,948</u>	22,401,656
Amounts reported for governmental activities in the Statement of 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 operating receipts and operating disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						5,671,488
Net assets of governmental activities						<u>\$ 28,073,144</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,223,287	\$ 2,400,000	\$ -	\$ 4,036,457	\$ 7,579,667	\$ 17,239,411
Restricted assets:						
Cash and investments	-	-	4,868,964	-	293,281	5,162,245
Total cash and investment assets - ending	<u>\$ 3,223,287</u>	<u>\$ 2,400,000</u>	<u>\$ 4,868,964</u>	<u>\$ 4,036,457</u>	<u>\$ 7,872,948</u>	<u>\$ 22,401,656</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 4,868,964	\$ -	\$ 293,281	\$ 5,162,245
Unrestricted	3,223,287	2,400,000	-	4,036,457	7,579,667	17,239,411
Total cash and investment fund balance - ending	<u>\$ 3,223,287</u>	<u>\$ 2,400,000</u>	<u>\$ 4,868,964</u>	<u>\$ 4,036,457</u>	<u>\$ 7,872,948</u>	<u>\$ 22,401,656</u>

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

WARSAW COMMUNITY SCHOOLS
 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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 6,790,013
Operating disbursements:	
Insurance claims and expense	<u>6,973,425</u>
Change in net assets	(183,412)
Cash and investment fund balance - beginning	<u>6,503,319</u>
Cash and investment fund balance - ending	<u>\$ 6,319,907</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 6,319,907</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 6,319,907</u>

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

WARSAW COMMUNITY SCHOOLS
 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, 2010

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 7,184,006
Operating disbursements:	
Insurance claims and expense	7,832,425
Change in net assets	(648,419)
Cash and investment fund balance - beginning	6,319,907
Cash and investment fund balance - ending	\$ 5,671,488
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 5,671,488
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 5,671,488

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

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

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ -	\$ 457,434	
Deductions:			
Benefits	37,895	-	
Administrative and general	-	384,579	
Total deductions	37,895	384,579	
Excess (deficiency) of total additions over total deductions	(37,895)	72,855	
Cash and investment fund balance - beginning	395,584	1,533,748	
Cash and investment fund balance - ending	\$ 357,689	\$ 1,606,603	\$ 484,801
Net assets - cash and investment basis held in trust			
Cash and investments	\$ 357,689	\$ 1,606,603	

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

WARSAW COMMUNITY SCHOOLS
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2010

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Employer	\$ 250,000	\$ -	
Other	-	611,054	
	250,000	611,054	
Total additions	250,000	611,054	
Deductions:			
Benefits	521,079	-	
Administrative and general	-	674,098	
	521,079	674,098	
Total deductions	521,079	674,098	
Excess (deficiency) of total additions over total deductions	(271,079)	(63,044)	
Cash and investment fund balance - beginning	357,689	1,606,603	
Cash and investment fund balance - ending	\$ 86,610	\$ 1,543,559	\$ 274,496
Net assets - cash and investment basis held in trust			
Cash and investments	\$ 86,610	\$ 1,543,559	

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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

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

Primary Government: Warsaw Community Schools

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

Joint Venture

The School Corporation is a participant in a joint venture to operate North Central Indiana Special Education Cooperative (NCI) which was created to implement jointly operated services for the education of students with disabilities. The NCI's continued existence depends on continued funding by the School Corporation. As of June 30, 2010, the NCI had \$392,622 payable to member school corporations. This balance resulted from selling the administration building and other sources. The School Corporation's share of this balance was \$251,053. Complete financial statements for the NCI can be obtained from the NCI administrative office at One Administration Drive, Warsaw, IN 46580.

The School Corporation is a participant in a joint venture to operate Alternative Instruction Method (AIM) which was created to provide alternative schooling. The School Corporation is obligated by contract to remit fees charged for slots available to the School Corporation annually to supplement the AIM. Complete financial statements for the AIM can be obtained from the AIM administrative office at 850 East Smith Street, Warsaw, IN 46580.

The School Corporation is a participant in a joint venture to operate Warsaw Area Career Center (Center) which was created to provide vocational education to its students. The School Corporation is obligated by contract to remit an amount annually based on a formula per ADM to supplement the Center. Complete financial statements for the Center can be obtained from the Center administrative office at 1 Tiger Lane, Warsaw, IN 46580.

The School Corporation is a participant in a joint venture to operate Region 8 Education Service Center (Region 8) which was created to provide education services to its members on a bulk, reduced price basis. The School Corporation is obligated by contract to remit an amount annually based on a formula per ADM to supplement the Region 8. Complete financial statements for the Region 8 can be obtained from the Region 8 administrative office at 251 West 850 North, Decatur, IN 46733.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The School Corporation's officials are also responsible for appointing the some members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the members of the City of Warsaw Park and Recreation Department and the Warsaw Community Public Library.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School Corporation reports no business-type activities.

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

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 of buildings; the purchase, lease, upgrade, maintenance, or repair of computer equipment; computer maintenance employees' services; construction employees' services; utility services; and property or casualty insurance.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for health insurance provided to employees and retirees on a cost-reimbursement basis.

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

The private-purpose trust funds report trust arrangements under which principal and income benefit individuals.

The agency fund accounts for assets held by the School as an agent for federal and state revenue agencies and other payroll deductions and serves as control of accounts for cash transactions during the time they are a liability to the School.

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.

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.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may 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.

4. 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.

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds 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 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

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.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

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 January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, 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 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.

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. IC 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, 2010, the School Corporation had deposit balances in the amount of \$27,957,789.

A portion of the deposit balances, \$9,957,789, was held by the pledging financial institution in a collateralized repurchase agreement. The remaining deposit balances, \$18,000,000, were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

As of June 30, 2010, the School Corporation had the following investments:

<u>Investment Type</u>	<u>Primary Government Market Value</u>
Mutual fund	<u>\$ 2,020,018</u>

Statutory Authorization for Investments

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

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

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

Investment Custodial Credit Risk

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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The following investments held by the School Corporation were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Primary Government:

Investment Type	Not in the Government's Name
Mutual fund	<u>\$ 2,020,018</u>

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk and has no investments in foreign currency.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2008	2009
General Fund	Rainy Day Fund	\$ 2,400,000	\$ -
	Other Governmental Funds	396,330	263,482
Debt Service Fund	Other Governmental Funds	33,575	91,255
Capital Projects Fund	Other Governmental Funds	54,541	623,231
Other Governmental Funds	General Fund	145,469	156,534
	Debt Service Fund	278,646	29,080
	Capital Projects Fund	70,961	54,541
	Other Governmental Funds	179,125	156,159
		<u>\$ 3,558,647</u>	<u>\$ 1,374,282</u>
Totals		<u>\$ 3,558,647</u>	<u>\$ 1,374,282</u>

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

C. Tax Anticipation Warrants

The School Corporation issues tax anticipation warrants for cash flow purposes in advance of property tax collections and/or state tuition support distributions, depositing the proceeds in the appropriate fund. Short-term debt activity for the years ended June 30, 2009 and June 30, 2010, was as follows:

<u>Fiscal Year 2008-2009</u>	Beginning Balance	Issued/ Draws	Redeemed Repayments	Ending Balance
General	\$ 2,918,155	\$ 4,221,129	\$ 7,139,284	\$ -
Debt Service	-	2,269,090	786,967	1,482,123
Capital Projects	-	364,794	-	364,794
Other Governmental	-	2,473,439	1,660,712	812,727
Totals	<u>\$ 2,918,155</u>	<u>\$ 9,328,452</u>	<u>\$ 9,586,963</u>	<u>\$ 2,659,644</u>
 <u>Fiscal Year 2009-2010</u>				
Debt Service	\$ 1,482,123	\$ -	\$ 1,482,123	\$ -
Capital Projects	364,794	-	364,794	-
Other Governmental	812,727	618,554	812,727	618,554
Totals	<u>\$ 2,659,644</u>	<u>\$ 618,554</u>	<u>\$ 2,659,644</u>	<u>\$ 618,554</u>

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties.

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The School Corporation purchases commercial insurance for claims in excess of coverage provided by the fund. Amounts are paid into the insurance fund by all funds from which payroll is paid.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Related Party Transactions

During the period for which financial statements are presented, the School Corporation had material transactions with Dan Robinson, School Board member, in relation to the School Corporation contracting with Dan Robinson's construction company, in the amount of \$128,849. As of June 30, 2010, no amounts were due to Dan Robinson.

C. Holding Corporations

The School Corporation has entered into a capital lease with Warsaw Community High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2009 and 2010, totaled \$2,506,000, and \$2,506,000, respectively.

The School Corporation has entered into a capital lease with Warsaw 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. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years June 30, 2009 and 2010, totaled \$3,698,000, and \$5,893,500, respectively.

D. Subsequent Events

On November 8, 2010, the School Board approved authorizing an estimated \$1,995,000 general obligation bond issue to finance improvements at four school buildings.

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Termination Benefits

The School Corporation offered an early retirement incentive to teachers for the years ended June 30, 2009 and 2010. Ten teachers accepted a \$25,000 incentive at the end of the first year and 13 teachers accepted a \$22,000 incentive at the end of the second year.

F. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Humana is a single-employer defined benefit healthcare plan administered by Humana. Prior to July 1, 2010, the plan was administered by Great West. The plan provides medical and dental to eligible retirees and their spouses. IC 5-10-8-2.6 assigns the authority to establish and amend benefit provisions to the School Corporation. The Humana issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Humana
PO Box 14611
Lexington, KY 40512-4601
888-357-6767

Funding Policy

The contribution requirements of plan members for the Humana are established by the School Corporation's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the years ended June 30, 2009 and 2010, the School Corporation made no contributions to the plan for current premiums. For the years ended June 30, 2009 and 2010, plan members receiving benefits contributed \$134,770 and \$139,823, respectively, or 100% of the total premiums, through their required contribution of \$528 per month for retiree-only coverage and \$1,386 for retiree and spouse coverage.

G. 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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the years ended June 30, 2009 and 2010 were \$363,999 and \$378,273, respectively.

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

WARSAW COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation's contributions to the plan during the years ended June 30, 2009 and 2010, were \$996,015 and \$1,112,269, respectively.

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

	Transportation	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Joint Service Coop
Receipts:						
Local sources	\$ 3,608,701	\$ 51,202	\$ 1,398,582	\$ 481,305	\$ -	\$ 401
State sources	-	168,729	28,973	297,927	-	-
Federal sources	-	-	1,588,685	-	-	-
Temporary loans	2,473,439	-	-	-	-	-
Other	-	-	475	-	-	-
Total receipts	<u>6,082,140</u>	<u>219,931</u>	<u>3,016,715</u>	<u>779,232</u>	<u>-</u>	<u>401</u>
Disbursements:						
Current:						
Instruction	-	237,345	-	-	-	-
Support services	2,539,481	-	51,959	1,366,226	-	58,869
Noninstructional services	-	-	2,777,666	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	1,660,712	-	-	-	-	-
Nonprogrammed charges	-	-	186,752	-	-	-
Total disbursements	<u>4,200,193</u>	<u>237,345</u>	<u>3,016,377</u>	<u>1,366,226</u>	<u>-</u>	<u>58,869</u>
Excess (deficiency) of receipts over disbursements	<u>1,881,947</u>	<u>(17,414)</u>	<u>338</u>	<u>(586,994)</u>	<u>-</u>	<u>(58,468)</u>
Other financing sources (uses):						
Transfers in	20,230	462	-	4,495	225,650	-
Transfers out	(15,947)	(364)	-	-	(286,689)	(1,170)
Total other financing sources (uses)	<u>4,283</u>	<u>98</u>	<u>-</u>	<u>4,495</u>	<u>(61,039)</u>	<u>(1,170)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,886,230</u>	<u>(17,316)</u>	<u>338</u>	<u>(582,499)</u>	<u>(61,039)</u>	<u>(59,638)</u>
Cash and investments - beginning	<u>(593,705)</u>	<u>98,028</u>	<u>305,457</u>	<u>799,573</u>	<u>286,689</u>	<u>468,316</u>
Cash and investments - ending	<u>\$ 1,292,525</u>	<u>\$ 80,712</u>	<u>\$ 305,795</u>	<u>\$ 217,074</u>	<u>\$ 225,650</u>	<u>\$ 408,678</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,292,525	\$ 80,712	\$ 305,795	\$ 217,074	\$ 225,650	\$ 408,678
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,292,525</u>	<u>\$ 80,712</u>	<u>\$ 305,795</u>	<u>\$ 217,074</u>	<u>\$ 225,650</u>	<u>\$ 408,678</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,292,525	80,712	305,795	217,074	225,650	408,678
Total cash and investment fund balance - ending	<u>\$ 1,292,525</u>	<u>\$ 80,712</u>	<u>\$ 305,795</u>	<u>\$ 217,074</u>	<u>\$ 225,650</u>	<u>\$ 408,678</u>

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

	WCS Joint Service	Alternative Education	Early Intervention 08/09 Grant	Gifted Talented 07/08 Grant	Gifted Talented 08/09 Grant	Non English Speaking Program
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	42,971	9,500	-	56,119	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	42,971	9,500	-	56,119	-
Disbursements:						
Current:						
Instruction	1,170	306,405	-	27,363	43,539	12,248
Support services	-	-	9,500	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,170	306,405	9,500	27,363	43,539	12,248
Excess (deficiency) of receipts over disbursements	(1,170)	(263,434)	-	(27,363)	12,580	(12,248)
Other financing sources (uses):						
Transfers in	1,170	277,868	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,170	277,868	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	14,434	-	(27,363)	12,580	(12,248)
Cash and investments - beginning	-	10,599	-	27,363	-	12,248
Cash and investments - ending	\$ -	\$ 25,033	\$ -	\$ -	\$ 12,580	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 25,033	\$ -	\$ -	\$ 12,580	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 25,033	\$ -	\$ -	\$ 12,580	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	25,033	-	-	12,580	-
Total cash and investment fund balance - ending	\$ -	\$ 25,033	\$ -	\$ -	\$ 12,580	\$ -

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

	Non English Speaking Program 08/09	School Technology	Gifted Talented In/Out	Title I 07/08	Title I 08/09	Title V 07/08
Receipts:						
Local sources	\$ -	\$ 73,760	\$ -	\$ -	\$ -	\$ -
State sources	125,921	-	-	-	-	-
Federal sources	-	-	-	-	792,780	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	125,921	73,760	-	-	792,780	-
Disbursements:						
Current:						
Instruction	122,032	-	68	21,507	747,848	-
Support services	-	73,760	-	-	3,178	547
Noninstructional services	-	-	-	2,271	2,446	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	122,032	73,760	68	23,778	753,472	547
Excess (deficiency) of receipts over disbursements	3,889	-	(68)	(23,778)	39,308	(547)
Other financing sources (uses):						
Transfers in	-	-	-	-	28,885	-
Transfers out	-	-	-	(28,885)	-	-
Total other financing sources (uses)	-	-	-	(28,885)	28,885	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,889	-	(68)	(52,663)	68,193	(547)
Cash and investments - beginning	-	-	354	52,663	-	547
Cash and investments - ending	\$ 3,889	\$ -	\$ 286	\$ -	\$ 68,193	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,889	\$ -	\$ 286	\$ -	\$ 68,193	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,889	\$ -	\$ 286	\$ -	\$ 68,193	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,889	-	286	-	68,193	-
Total cash and investment fund balance - ending	\$ 3,889	\$ -	\$ 286	\$ -	\$ 68,193	\$ -

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

	Title V 08/09	Migrant Summer School	Migrant Grant 08/09	Summer Migrant Grant 2009	Special Education Federal 07/08	Part B Carryover 08/09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	7,500	300,000	150,000	147,500	227,834	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	7,500	300,000	150,000	147,500	227,834	-
Disbursements:						
Current:						
Instruction	-	330,727	109,000	16,758	9,157	13,016
Support services	8,305	1,120	41,000	1,762	149,528	37,104
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	8,305	331,847	150,000	18,520	158,685	50,120
Excess (deficiency) of receipts over disbursements	(805)	(31,847)	-	128,980	69,149	(50,120)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	88,536
Transfers out	-	-	-	-	(88,536)	-
Total other financing sources (uses)	-	-	-	-	(88,536)	88,536
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(805)	(31,847)	-	128,980	(19,387)	38,416
Cash and investments - beginning	1,074	31,847	-	-	19,387	-
Cash and investments - ending	\$ 269	\$ -	\$ -	\$ 128,980	\$ -	\$ 38,416
Cash and Investment Assets - Ending						
Cash and investments	\$ 269	\$ -	\$ -	\$ 128,980	\$ -	\$ 38,416
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 269	\$ -	\$ -	\$ 128,980	\$ -	\$ 38,416
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	269	-	-	128,980	-	38,416
Total cash and investment fund balance - ending	\$ 269	\$ -	\$ -	\$ 128,980	\$ -	\$ 38,416

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

	14204-045-PY02 Carryover	Project Achieve Read	Special Education Federal 08/09	Special Education Part B Disc 08/09	Project Achieve Read 2009	Preschool 45709-045-PN01
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	2,977,157	87,690	50,000	82,463
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	2,977,157	87,690	50,000	82,463
Disbursements:						
Current:						
Instruction	-	66,491	401,216	77,922	22,805	36,629
Support services	50,591	9,162	2,478,088	8,353	-	40,494
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	50,591	75,653	2,879,304	86,275	22,805	77,123
Excess (deficiency) of receipts over disbursements	(50,591)	(75,653)	97,853	1,415	27,195	5,340
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	(50,591)	(75,653)	97,853	1,415	27,195	5,340
Cash and investments - beginning	50,591	75,653	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 97,853	\$ 1,415	\$ 27,195	\$ 5,340
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 97,853	\$ 1,415	\$ 27,195	\$ 5,340
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 97,853	\$ 1,415	\$ 27,195	\$ 5,340
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	97,853	1,415	27,195	5,340
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 97,853	\$ 1,415	\$ 27,195	\$ 5,340

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

	45708-045-PN01 Preschool	Preschool Carryover 08/09	45702-045-PY02 Preschool	08-8038 ABE Grant	Adult Education 08/09	Safe and Drug Free 84.186
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	6,542	-	-	-	76,318	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>6,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,318</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	924	3,821	3,446	13,140	-	-
Support services	3,264	-	363	1,396	68,376	10,000
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>4,188</u>	<u>3,821</u>	<u>3,809</u>	<u>14,536</u>	<u>68,376</u>	<u>10,000</u>
Excess (deficiency) of receipts over disbursements	<u>2,354</u>	<u>(3,821)</u>	<u>(3,809)</u>	<u>(14,536)</u>	<u>7,942</u>	<u>(10,000)</u>
Other financing sources (uses):						
Transfers in	-	5,080	-	-	-	-
Transfers out	<u>(5,080)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,080)</u>	<u>5,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,726)</u>	<u>1,259</u>	<u>(3,809)</u>	<u>(14,536)</u>	<u>7,942</u>	<u>(10,000)</u>
Cash and investments - beginning	<u>2,726</u>	<u>-</u>	<u>3,809</u>	<u>14,536</u>	<u>-</u>	<u>10,000</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,942</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,259	\$ -	\$ -	\$ 7,942	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,942</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>1,259</u>	<u>-</u>	<u>-</u>	<u>7,942</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,942</u>	<u>\$ -</u>

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

	Safe and Drug Free 08/09	Carl Perkins 08/09	Project Lead The Way	PLTW Pre-Engineering Grant	Moving Forward Grant	Carl Perkins Grant 07/08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	22,358	108,093	12,526	12,595	2,653	29,634
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	22,358	108,093	12,526	12,595	2,653	29,634
Disbursements:						
Current:						
Instruction	-	106,837	17,652	12,844	2,653	(1,628)
Support services	1,364	15,000	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	3,978	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	5,600	-	-	-	-	-
Total disbursements	10,942	121,837	17,652	12,844	2,653	(1,628)
Excess (deficiency) of receipts over disbursements	11,416	(13,744)	(5,126)	(249)	-	31,262
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	11,416	(13,744)	(5,126)	(249)	-	31,262
Cash and investments - beginning	-	-	2,873	-	-	(31,262)
Cash and investments - ending	\$ 11,416	\$ (13,744)	\$ (2,253)	\$ (249)	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 11,416	\$ (13,744)	\$ (2,253)	\$ (249)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,416	\$ (13,744)	\$ (2,253)	\$ (249)	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,416	(13,744)	(2,253)	(249)	-	-
Total cash and investment fund balance - ending	\$ 11,416	\$ (13,744)	\$ (2,253)	\$ (249)	\$ -	\$ -

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

	Moving Forward AG Grant	Medicaid Reimbursement	Ed Tech Inaccess Grant	Title II Improvement Teacher	Title II Part A 08/09	Title III 06/07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	7,000	-	14,000	34,301	174,614	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	7,000	-	14,000	34,301	174,614	-
Disbursements:						
Current:						
Instruction	14,533	-	-	979	-	194
Support services	-	-	25,228	8,254	166,903	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	19,711	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	14,533	-	44,939	9,233	166,903	194
Excess (deficiency) of receipts over disbursements	(7,533)	-	(30,939)	25,068	7,711	(194)
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	(7,533)	-	(30,939)	25,068	7,711	(194)
Cash and investments - beginning	9,901	30,979	35,283	(25,068)	-	194
Cash and investments - ending	<u>\$ 2,368</u>	<u>\$ 30,979</u>	<u>\$ 4,344</u>	<u>\$ -</u>	<u>\$ 7,711</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,368	\$ 30,979	\$ 4,344	\$ -	\$ 7,711	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,368</u>	<u>\$ 30,979</u>	<u>\$ 4,344</u>	<u>\$ -</u>	<u>\$ 7,711</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,368	30,979	4,344	-	7,711	-
Total cash and investment fund balance - ending	<u>\$ 2,368</u>	<u>\$ 30,979</u>	<u>\$ 4,344</u>	<u>\$ -</u>	<u>\$ 7,711</u>	<u>\$ -</u>

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

	Title III ESL Grant	Fiscal Stabilization	Pension Bond	School Bus Replacement	2008 School Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 1,078,608	\$ 390,438	\$ 19,765	\$ 7,102,762
State sources	-	-	-	-	-	730,140
Federal sources	125,100	3,363,049	-	-	-	10,400,392
Temporary loans	-	-	-	-	-	2,473,439
Other	-	-	-	-	-	475
Total receipts	<u>125,100</u>	<u>3,363,049</u>	<u>1,078,608</u>	<u>390,438</u>	<u>19,765</u>	<u>20,707,208</u>
Disbursements:						
Current:						
Instruction	125,100	2,643,791	-	-	-	5,547,532
Support services	-	704,075	-	592,560	-	8,525,810
Noninstructional services	-	15,183	-	-	-	2,797,566
Facilities acquisition and construction	-	-	-	-	-	23,689
Debt services	-	-	543,159	-	-	2,203,871
Nonprogrammed charges	-	-	-	-	-	192,352
Total disbursements	<u>125,100</u>	<u>3,363,049</u>	<u>543,159</u>	<u>592,560</u>	<u>-</u>	<u>19,290,820</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>535,449</u>	<u>(202,122)</u>	<u>19,765</u>	<u>1,416,388</u>
Other financing sources (uses):						
Transfers in	-	-	5,002	6,193	-	663,571
Transfers out	-	-	(245,903)	(1,627)	-	(674,201)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(240,901)</u>	<u>4,566</u>	<u>-</u>	<u>(10,630)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>294,548</u>	<u>(197,556)</u>	<u>19,765</u>	<u>1,405,758</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>532,656</u>	<u>2,000,000</u>	<u>4,233,311</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,548</u>	<u>\$ 335,100</u>	<u>\$ 2,019,765</u>	<u>\$ 5,639,069</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 335,100	\$ 2,019,765	\$ 5,344,521
Restricted assets:						
Cash and investments	-	-	294,548	-	-	294,548
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,548</u>	<u>\$ 335,100</u>	<u>\$ 2,019,765</u>	<u>\$ 5,639,069</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 294,548	\$ -	\$ -	\$ 294,548
Unrestricted	-	-	-	335,100	2,019,765	5,344,521
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,548</u>	<u>\$ 335,100</u>	<u>\$ 2,019,765</u>	<u>\$ 5,639,069</u>

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Transportation	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Joint Service Coop	Alternative Education
Receipts:							
Local sources	\$ 2,606,300	\$ -	\$ 1,316,933	\$ 457,995	\$ 96,777	\$ 599	\$ -
State sources	-	74,251	27,526	288,054	-	-	50,142
Federal sources	-	-	1,643,106	-	-	-	-
Temporary loans	618,554	-	-	-	-	-	-
Other	-	-	450	-	-	-	-
Total receipts	3,224,854	74,251	2,988,015	746,049	96,777	599	50,142
Disbursements:							
Current:							
Instruction	-	117,255	-	-	-	-	299,504
Support services	2,392,725	-	29,893	788,424	-	16,655	-
Noninstructional services	-	-	2,403,459	-	-	-	-
Facilities acquisition and construction	750	-	-	-	-	-	-
Debt services	812,727	-	-	-	-	-	-
Nonprogrammed charges	-	-	202,994	-	-	-	-
Total disbursements	3,206,202	117,255	2,636,346	788,424	-	16,655	299,504
Excess (deficiency) of receipts over disbursements	18,652	(43,004)	351,669	(42,375)	96,777	(16,056)	(249,362)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	15,947	364	-	35,554	700,541	-	263,482
Transfers out	(12,708)	(38,072)	-	-	(225,650)	-	-
Total other financing sources (uses)	3,239	(37,708)	-	35,554	474,891	-	263,482
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,891	(80,712)	351,669	(6,821)	571,668	(16,056)	14,120
Cash and investments - beginning	1,292,525	80,712	305,795	217,074	225,650	408,678	25,033
Cash and investments - ending	\$ 1,314,416	\$ -	\$ 657,464	\$ 210,253	\$ 797,318	\$ 392,622	\$ 39,153
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,314,416	\$ -	\$ 657,464	\$ 210,253	\$ 797,318	\$ 392,622	\$ 39,153
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,314,416	\$ -	\$ 657,464	\$ 210,253	\$ 797,318	\$ 392,622	\$ 39,153
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,314,416	-	657,464	210,253	797,318	392,622	39,153
Total cash and investment fund balance - ending	\$ 1,314,416	\$ -	\$ 657,464	\$ 210,253	\$ 797,318	\$ 392,622	\$ 39,153

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Gifted Talented 09/10 Grant	Gifted Talented 08/09 Grant	Adult Education	Non English Speaking Program 08/09	Non English Speaking Program 09/10	School Technology	Gifted Talented In/Out
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,372	\$ -
State sources	55,145	-	74,864	-	113,128	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	55,145	-	74,864	-	113,128	88,372	-
Disbursements:							
Current:							
Instruction	47,354	12,580	138,789	3,889	25,103	-	286
Support services	-	-	-	-	-	88,372	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	47,354	12,580	138,789	3,889	25,103	88,372	286
Excess (deficiency) of receipts over disbursements	7,791	(12,580)	(63,925)	(3,889)	88,025	-	(286)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,791	(12,580)	(63,925)	(3,889)	88,025	-	(286)
Cash and investments - beginning	-	12,580	-	3,889	-	-	286
Cash and investments - ending	\$ 7,791	\$ -	\$ (63,925)	\$ -	\$ 88,025	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 7,791	\$ -	\$ (63,925)	\$ -	\$ 88,025	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 7,791	\$ -	\$ (63,925)	\$ -	\$ 88,025	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,791	-	(63,925)	-	88,025	-	-
Total cash and investment fund balance - ending	\$ 7,791	\$ -	\$ (63,925)	\$ -	\$ 88,025	\$ -	\$ -

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title I 08/09	Title I 09/10	Title I Dist School Lincoln	Title V 08/09	Summer Migrant Grant 2009	Migrant Grant 09/10	Migrant Supplemental
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	804,428	26,000	4,501	-	321,710	143,000
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	804,428	26,000	4,501	-	321,710	143,000
Disbursements:							
Current:							
Instruction	26,742	718,105	1,277	-	124,281	242,311	143,000
Support services	-	55,460	7,169	4,770	4,699	78,526	-
Noninstructional services	929	3,557	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	27,671	777,122	8,446	4,770	128,980	320,837	143,000
Excess (deficiency) of receipts over disbursements	(27,671)	27,306	17,554	(269)	(128,980)	873	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	40,522	-	-	-	-	-
Transfers out	(40,522)	-	-	-	-	-	-
Total other financing sources (uses)	(40,522)	40,522	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(68,193)	67,828	17,554	(269)	(128,980)	873	-
Cash and investments - beginning	68,193	-	-	269	128,980	-	-
Cash and investments - ending	\$ -	\$ 67,828	\$ 17,554	\$ -	\$ -	\$ 873	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 67,828	\$ 17,554	\$ -	\$ -	\$ 873	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 67,828	\$ 17,554	\$ -	\$ -	\$ 873	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	67,828	17,554	-	-	873	-
Total cash and investment fund balance - ending	\$ -	\$ 67,828	\$ 17,554	\$ -	\$ -	\$ 873	\$ -

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Summer Migrant Grant 2010	Part B Carryover 08/09	Special Education Federal 08/09	Special Education Federal 09/10	IDEA Part B Carryover 09/10	Special Education Part B Disc 08/09	Project Achieve Read 2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	20,000	-	-	3,198,821	-	-	50,000
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	20,000	-	-	3,198,821	-	-	50,000
Disbursements:							
Current:							
Instruction	8,187	3	7,532	454,189	28,412	755	77,195
Support services	-	38,413	22,704	2,616,763	10,782	660	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	8,187	38,416	30,236	3,070,952	39,194	1,415	77,195
Excess (deficiency) of receipts over disbursements	11,813	(38,416)	(30,236)	127,869	(39,194)	(1,415)	(27,195)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	67,617	-	-
Transfers out	-	-	(67,617)	-	-	-	-
Total other financing sources (uses)	-	-	(67,617)	-	67,617	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,813	(38,416)	(97,853)	127,869	28,423	(1,415)	(27,195)
Cash and investments - beginning	-	38,416	97,853	-	-	1,415	27,195
Cash and investments - ending	\$ 11,813	\$ -	\$ -	\$ 127,869	\$ 28,423	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 11,813	\$ -	\$ -	\$ 127,869	\$ 28,423	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,813	\$ -	\$ -	\$ 127,869	\$ 28,423	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,813	-	-	127,869	28,423	-	-
Total cash and investment fund balance - ending	\$ 11,813	\$ -	\$ -	\$ 127,869	\$ 28,423	\$ -	\$ -

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Preschool 45709-045-PN01	Preschool 09/10	IDEA Preschool Carryover 09/10	Preschool Carryover 08/09	Adult Education 08/09	Adult Education 09/10	Safe and Drug Free 08/09
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	83,494	-	-	-	88,768	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	83,494	-	-	-	88,768	-
Disbursements:							
Current:							
Instruction	2,496	38,097	2,608	1,259	157	66,153	-
Support services	-	42,701	-	-	7,785	12,576	11,416
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,496	80,798	2,608	1,259	7,942	78,729	11,416
Excess (deficiency) of receipts over disbursements	(2,496)	2,696	(2,608)	(1,259)	(7,942)	10,039	(11,416)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	2,844	-	-	-	-
Transfers out	(2,844)	-	-	-	-	-	-
Total other financing sources (uses)	(2,844)	-	2,844	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,340)	2,696	236	(1,259)	(7,942)	10,039	(11,416)
Cash and investments - beginning	5,340	-	-	1,259	7,942	-	11,416
Cash and investments - ending	\$ -	\$ 2,696	\$ 236	\$ -	\$ -	\$ 10,039	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 2,696	\$ 236	\$ -	\$ -	\$ 10,039	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,696	\$ 236	\$ -	\$ -	\$ 10,039	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,696	236	-	-	10,039	-
Total cash and investment fund balance - ending	\$ -	\$ 2,696	\$ 236	\$ -	\$ -	\$ 10,039	\$ -

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Safe and Drug Free 09/10	Carl Perkins 08/09	Carl Perkins 09/10	PLTW Biomedical Grant 09/10	PLTW Engineering Grant 09/10	Project Lead The Way
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	17,991	31,644	96,453	9,941	1,494	8,588
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	17,991	31,644	96,453	9,941	1,494	8,588
Disbursements:						
Current:						
Instruction	-	17,900	122,314	12,234	5,817	6,335
Support services	3,156	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	4,300	-	-	-	-	-
Total disbursements	7,456	17,900	122,314	12,234	5,817	6,335
Excess (deficiency) of receipts over disbursements	10,535	13,744	(25,861)	(2,293)	(4,323)	2,253
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,535	13,744	(25,861)	(2,293)	(4,323)	2,253
Cash and investments - beginning	-	(13,744)	-	-	-	(2,253)
Cash and investments - ending	\$ 10,535	\$ -	\$ (25,861)	\$ (2,293)	\$ (4,323)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 10,535	\$ -	\$ (25,861)	\$ (2,293)	\$ (4,323)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,535	\$ -	\$ (25,861)	\$ (2,293)	\$ (4,323)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,535	-	(25,861)	(2,293)	(4,323)	-
Total cash and investment fund balance - ending	\$ 10,535	\$ -	\$ (25,861)	\$ (2,293)	\$ (4,323)	\$ -

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	PLTW Pre-Engineering Grant	Moving Forward AG Grant	Medicaid Reimbursement	Ed Tech Inaccess Grant	Title II Part A 08/09	Title II Part A 09/10
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	5,588	-	-	9,100	34,920	176,733
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>5,588</u>	<u>-</u>	<u>-</u>	<u>9,100</u>	<u>34,920</u>	<u>176,733</u>
Disbursements:						
Current:						
Instruction	5,311	2,368	-	-	-	-
Support services	28	-	-	15,652	42,631	149,164
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	(2,208)	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>5,339</u>	<u>2,368</u>	<u>-</u>	<u>13,444</u>	<u>42,631</u>	<u>149,164</u>
Excess (deficiency) of receipts over disbursements	<u>249</u>	<u>(2,368)</u>	<u>-</u>	<u>(4,344)</u>	<u>(7,711)</u>	<u>27,569</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>249</u>	<u>(2,368)</u>	<u>-</u>	<u>(4,344)</u>	<u>(7,711)</u>	<u>27,569</u>
Cash and investments - beginning	<u>(249)</u>	<u>2,368</u>	<u>30,979</u>	<u>4,344</u>	<u>7,711</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,569</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 30,979	\$ -	\$ -	\$ 27,569
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,569</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	30,979	-	-	27,569
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,569</u>

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title III ESL Grant 09/10	Fiscal Stabilization	Title I LEA's Stimulus	Fiscal Stabilization IDEA	Fiscal Stabilization Preschool	Education Tech Stimulus
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	89,200	1,401,228	229,019	1,789,173	55,694	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	89,200	1,401,228	229,019	1,789,173	55,694	-
Disbursements:						
Current:						
Instruction	59,894	1,399,330	206,213	169,541	-	-
Support services	-	1,898	14,180	1,670,881	59,049	16,464
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	59,894	1,401,228	220,393	1,840,422	59,049	16,464
Excess (deficiency) of receipts over disbursements	29,306	-	8,626	(51,249)	(3,355)	(16,464)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,306	-	8,626	(51,249)	(3,355)	(16,464)
Cash and investments - beginning	-	-	-	-	-	-
Cash and investments - ending	\$ 29,306	\$ -	\$ 8,626	\$ (51,249)	\$ (3,355)	\$ (16,464)
Cash and Investment Assets - Ending						
Cash and investments	\$ 29,306	\$ -	\$ 8,626	\$ (51,249)	\$ (3,355)	\$ (16,464)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 29,306	\$ -	\$ 8,626	\$ (51,249)	\$ (3,355)	\$ (16,464)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	29,306	-	8,626	(51,249)	(3,355)	(16,464)
Total cash and investment fund balance - ending	\$ 29,306	\$ -	\$ 8,626	\$ (51,249)	\$ (3,355)	\$ (16,464)

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	School Lunch Equipment Stimulus	Qualified School Construction Bond	Pension Bond	School Bus Replacement	2008 School Construction	Totals
Receipts:						
Local sources	\$ -	\$ 4,315	\$ 537,841	\$ 573,295	\$ 253	\$ 5,682,680
State sources	-	-	-	-	-	683,110
Federal sources	15,000	-	-	-	-	10,355,594
Temporary loans	-	-	-	-	-	618,554
Other	-	-	-	-	-	450
Total receipts	15,000	4,315	537,841	573,295	253	17,340,388
Disbursements:						
Current:						
Instruction	-	-	-	-	-	4,594,776
Support services	-	-	-	352,356	-	8,555,952
Noninstructional services	15,000	-	-	-	-	2,422,945
Facilities acquisition and construction	-	669,750	-	-	-	668,292
Debt services	-	-	540,936	-	-	1,353,663
Nonprogrammed charges	-	-	-	-	-	207,294
Total disbursements	15,000	669,750	540,936	352,356	-	17,802,922
Excess (deficiency) of receipts over disbursements	-	(665,435)	(3,095)	220,939	253	(462,534)
Other financing sources (uses):						
Proceeds of long-term debt	-	1,958,600	-	-	-	1,958,600
Transfers in	-	-	5,629	1,627	-	1,134,127
Transfers out	-	-	(3,801)	(5,100)	-	(396,314)
Total other financing sources (uses)	-	1,958,600	1,828	(3,473)	-	2,696,413
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,293,165	(1,267)	217,466	253	2,233,879
Cash and investments - beginning	-	-	294,548	335,100	2,019,765	5,639,069
Cash and investments - ending	\$ -	\$ 1,293,165	\$ 293,281	\$ 552,566	\$ 2,020,018	\$ 7,872,948
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,293,165	\$ -	\$ 552,566	\$ 2,020,018	\$ 7,579,667
Restricted assets:						
Cash and investments	-	-	293,281	-	-	293,281
Total cash and investment assets - ending	\$ -	\$ 1,293,165	\$ 293,281	\$ 552,566	\$ 2,020,018	\$ 7,872,948
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 293,281	\$ -	\$ -	\$ 293,281
Unrestricted	-	1,293,165	-	552,566	2,020,018	7,579,667
Total cash and investment fund balance - ending	\$ -	\$ 1,293,165	\$ 293,281	\$ 552,566	\$ 2,020,018	\$ 7,872,948

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2010

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 250,000	\$ 250,000
Deductions:			
Benefits	271,079	250,000	521,079
Deficiency of total additions over total deductions	(271,079)	-	(271,079)
Cash and investment fund balance - beginning	357,689	-	357,689
Cash and investment fund balance - ending	\$ 86,610	\$ -	\$ 86,610
Net assets - cash and investment basis held in trust			
Cash and investments	\$ 86,610	\$ -	\$ 86,610

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

	Time Technology Integration	ABE Reimbursable	Extra Curricular	NCI In/Out	General In/Out	Insurance Reserve	Driver's Education	Vocational	Totals
Additions:									
Contributions:									
Other	\$ -	\$ 143,048	\$ 35,365	\$ 7,657	\$ 215,506	\$ -	\$ 34,627	\$ 21,231	\$ 457,434
Deductions:									
Administrative and general	4,985	137,270	36,180	7,079	114,680	-	51,831	32,554	384,579
Excess (deficiency) of total additions over total deductions	(4,985)	5,778	(815)	578	100,826	-	(17,204)	(11,323)	72,855
Cash and investment fund balance - beginning	13,381	224,649	843	11,883	142,987	1,108,082	31,923	-	1,533,748
Cash and investments - ending	<u>\$ 8,396</u>	<u>\$ 230,427</u>	<u>\$ 28</u>	<u>\$ 12,461</u>	<u>\$ 243,813</u>	<u>\$ 1,108,082</u>	<u>\$ 14,719</u>	<u>\$ (11,323)</u>	<u>\$ 1,606,603</u>
Net assets - cash and investment basis held in trust									
Cash and investments	<u>\$ 8,396</u>	<u>\$ 230,427</u>	<u>\$ 28</u>	<u>\$ 12,461</u>	<u>\$ 243,813</u>	<u>\$ 1,108,082</u>	<u>\$ 14,719</u>	<u>\$ (11,323)</u>	<u>\$ 1,606,603</u>

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	Time Technology Integration	ABE Reimbursable	Extra Curricular	NCI In/Out	General In/Out	Insurance Reserve
Additions: Contributions: Other	\$ -	\$ 46,558	\$ 54,787	\$ 11,932	\$ 195,800	\$ -
Deductions: Administrative and general	1,277	44,819	56,634	7,489	436,301	-
Excess (deficiency) of total additions over total deductions	(1,277)	1,739	(1,847)	4,443	(240,501)	-
Cash and investment fund balance - beginning	8,396	230,427	28	12,461	243,813	1,108,082
Cash and investments - ending	<u>\$ 7,119</u>	<u>\$ 232,166</u>	<u>\$ (1,819)</u>	<u>\$ 16,904</u>	<u>\$ 3,312</u>	<u>\$ 1,108,082</u>
Net assets - cash and investment basis held in trust Cash and investments	<u>\$ 7,119</u>	<u>\$ 232,166</u>	<u>\$ (1,819)</u>	<u>\$ 16,904</u>	<u>\$ 3,312</u>	<u>\$ 1,108,082</u>

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>Driver's Education</u>	<u>In/Out</u>	<u>Vocational</u>	<u>Literacy</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 28,316	\$ 125,523	\$ 105,638	\$ 42,500	\$ 611,054
Deductions:					
Administrative and general	20,137	32,540	37,873	37,028	674,098
Excess (deficiency) of total additions over total deductions	8,179	92,983	67,765	5,472	(63,044)
Cash and investment fund balance - beginning	14,719	-	(11,323)	-	1,606,603
Cash and investments - ending	<u>\$ 22,898</u>	<u>\$ 92,983</u>	<u>\$ 56,442</u>	<u>\$ 5,472</u>	<u>\$ 1,543,559</u>
Net assets - cash and investment basis held in trust					
Cash and investments	<u>\$ 22,898</u>	<u>\$ 92,983</u>	<u>\$ 56,442</u>	<u>\$ 5,472</u>	<u>\$ 1,543,559</u>

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Clearing
Additions:	
Agency fund additions	\$ 30,264,326
Deductions:	
Agency fund deductions	30,244,956
Excess of total additions over total deductions	19,370
Cash and investment fund balance - beginning	465,431
Cash and investment fund balance - ending	\$ 484,801

WARSAW COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2010

	Clearing
Additions:	
Agency fund additions	\$ 31,428,705
Deductions:	
Agency fund deductions	31,639,010
Deficiency of total additions over total deductions	(210,305)
Cash and investment fund balance - beginning	484,801
Cash and investment fund balance - ending	\$ 274,496

WARSAW COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

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	\$ 512,000
Infrastructure	256,109
Buildings	75,626,741
Improvements other than buildings	2,774,758
Machinery and equipment	9,673,898
Construction in progress	<u>43,625,768</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 132,469,274</u>

WARSAW COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
High School Improvements	\$ 1,012,650	\$ 2,500,001
2003 Multi School Improvements	34,115,000	1,846,500
2008 Multi School Improvements	55,910,000	4,389,500
Copiers	18,854	16,140
Notes and loans payable	2,582,424	365,520
Bonds payable:		
General obligation bonds:		
Retirement/Severance	3,920,000	541,656
2009 Qualified School Construction	1,985,000	150,308
Total governmental activities debt	<u>\$ 99,543,928</u>	<u>\$ 9,809,625</u>

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

INVESTMENT CASH MANAGEMENT AGREEMENT

The School Corporation has entered into an investment cash management agreement with Lake City Bank. The most recent agreement provided for our audit is dated January 22, 2001.

A political subdivision may contract with a depository for the operation of an investment cash management system under IC 5-13-11. A cash management system provides for the management of the political subdivision's investment by a financial institution which is a designated depository.

Pursuant to IC 5-13-11-2, a contract must:

1. Be in writing;
2. Provide for the investment of funds by the depository with the approval of the fiscal officer;
3. Provide that the depository keep those records concerning the cash management system as needed for audits by the State Board of Accounts;
4. Provide that investments will be made in accordance with IC 5-13-9;
5. Not have a term of more than two years; and
6. Be awarded under the bidding provisions of IC 5-22 (Public Purchases Law).

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 14)

APPROPRIATION ENCUMBRANCES

A \$75,000 encumbrance was carried forward from 2008 to 2009 and was not for a specific purpose, but was made to carry the amount to the next year's budget. A \$75,000 purchase order was issued but was voided in 2009 because the amount did not represent specific purchases.

The State Board of Accounts is of the audit position that when purchase orders or contracts have been written during the year for the necessary purchases of the school corporation and such purchase orders or contracts have been entered in the Ledger of Appropriations Allotments, Encumbrances, Disbursements and Balances to encumber a sufficient amount of the proper appropriation to provide for payment when due, a permissible procedure is available to carry forward to the next budget year any amounts so encumbered which have not been liquidated as of December 31. Any such encumbrances carried forward must be for the exact amount of the purchase orders or contracts outstanding and shall be carried to the same program and expenditure account in the ledger for the new budget year as that in which they appeared for the year ending December 31. These amounts when carried forward, should be entered individually on each of the expenditure accounts affected and in total on the program (appropriation) account as an opening entry separate from the next annual appropriation amount. The total amount of encumbered appropriations carried forward for any fund must not exceed the fund cash balance or the available appropriation balance as of December 31 or a funding difficulty could exist during the new budget year.

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Liquidation of the amounts carried forward must be made individually for each purchase order encumbered when payment of the claim is entered on the record following receipt of the items purchased. The balance of an encumbrance for a vendor's claim for payment of specific purchases found to be less than the amount of the encumbrance carried forward, may not be used to authorize payment of any other claim. Such balance, must be liquidated at the time of liquidating the purchase order or contract or permitted to expire at the close of the budget year. Any amount of claim for payment that is greater than the encumbered amount carried forward must be charged against the available appropriation for the same purpose from the current budget or an additional appropriation obtained for that specific purpose. (The School Administrator and Uniform Compliance Guidelines, Volume 164, Page 5)

INVESTMENTS

As of June 30, 2010, the School Corporation had \$2,020,005 invested in Lake City Bank in an investment described as Goldman Sachs Fs Gov'T #466. A representative of the Lake City Bank explained, "Yes, the Goldman Sachs FS Gov't Fund #466 is an authorized fund under IC 5-13-9. No, the fund, being a money market fund, is not insured by the Indiana Public Deposit Insurance Fund."

School Corporation Officials did not present for audit a portfolio of the investment company.

IC 5-13-9-2 states in part:

"(a) Each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in any of the following:

- (1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:
 - (A) The United States Treasury.
 - (B) A federal agency.
 - (C) A federal instrumentality.
 - (D) A federal government sponsored enterprise.
- (2) Securities fully guaranteed and issued by any of the following:
 - (A) A federal agency.
 - (B) A federal instrumentality.
 - (C) A federal government sponsored enterprise."

IC 5-13-9-2.5 states:

"(a) An officer designated in section 1 of this chapter may invest or reinvest funds that are held by the officer and available for investment in investments commonly known as money market mutual funds that are in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.)."

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

(b) The investments described in subsection (a) shall be made through depositories designated by the state board of finance as depositories for state deposits under IC 5-13-9.5.

(c) The portfolio of an investment company or investment trust described in subsection (a) must be limited to the following:

- (1) Direct obligations of the United States.
- (2) Obligations issued by any of the following:
 - (A) A federal agency.
 - (B) A federal instrumentality.
 - (C) A federal government sponsored enterprise.
- (3) Repurchase agreements fully collateralized by obligations described in subdivision (1) or (2).

(d) The form of securities of or interests in an investment company or investment trust described in subsection (a) must be rated as one (1) of the following:

- (1) AAAM, or its equivalent, by Standard and Poor's Corporation or its successor.
- (2) Aaa, or its equivalent, by Moody's Investors Service, Inc. or its successor."

Investments should only be made in accordance with statute. Expenses related to any unauthorized investments may be the personal obligation of the responsible official or employee. Losses related to investments and investment procedures which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COLLECTION OF AMOUNTS DUE

The School Corporation did not bill member Schools for their students attending the Warsaw Career Center during the year 2007-2008. The billing for the 2008-2009 year was prepared in December 2009 and totaled \$41,427. The billing for the 2009-2010 year has not been prepared yet.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PUBLIC WORKS PROJECTS

The School Corporation paid a vendor \$90,340 on January 26, 2009, for Lakeview Middle School athletic complex chain link fencing and installation. The School Corporation did not solicit bids or quotes for the project. The School Corporation paid a vendor \$45,489 on July 21, 2008, for a High School paving project. No quotes were solicited for the High School project.

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

IC 36-1-12-4 states in part:

"(a) This section applies whenever the cost of a public work project will be: . . .

(2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1).

(b) The board must comply with the following procedure:

(1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. . . .

(2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).

(3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed. . . ."

IC 36-1-12-4.7 states in part:

"(a) This section applies whenever a public work project is estimated to cost: . . .

(2) at least twenty-five thousand dollars (\$25,000) and less than fifty thousand dollars (\$50,000) in a political subdivision or agency not described in subdivision (1).

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

(2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

(3) The board shall award the contract for the public work to the lowest responsible and responsive quoter.

(4) The board may reject all quotes submitted."

IC 36-1-12-4.9 states in part:

"(a) This section applies to a public work for the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property if the cost of the public work is estimated to be less than one hundred fifty thousand dollars (\$150,000).

(b) The board may award a contract for public work described in subsection (a) in the manner provided in IC 5-22."

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

YEARBOOK SALES (Applies to High School)

Our examination indicated that the yearbook sales for the 2008-2009 school year were substantially less than other years. Our comparison of 2008-2009 yearbooks purchased for sale indicated that amounts receipted from sales were potentially \$11,925 less than calculated. Additionally, the Sponsor did not deposit all collections. We were presented with checks dated 2006 and 2007, totaling \$405, that were not deposited and were considered too old to deposit. Also, the Sponsor held a picture commission check from a local photographer, in the amount of \$4,972.22, dated September 30, 2006, and did not present the check to the Extra-Curricular Treasurer. The \$4,972.22 check was finally replaced and deposited by the High Extra-Curricular Treasurer on September 8, 2010.

\$16,300 was paid on April 26, 2010, from School Corporation funds to the High School Yearbook Account to help finance a cash shortfall.

Collections of yearbook sales are received at three collection points. Yearbook sales are made at the beginning of the year registration process, and during the school year at the bookstore and with the sponsor. A new sponsor was appointed for the 2009-2010 school year.

High School Officials explained that they did not attempt to reconcile yearbooks purchased with yearbook sales. High School Officials also explained that they do not identify on the receipt or ledger which yearbook was sold.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

IC 20-5-7-4 states in part: ". . . receipts shall be deposited without unreasonable delay."

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Form SA-9 is to be used at least once a year at the end of the school year. The form is to be used to help account for beverages sold from vending machines. However, the form can be used at the discretion of school officials to account for other items such as, concessions, books, etc. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

INVESTMENT REGISTER (Applies to High School)

The prescribed form, Register of Investments, Form 350, was not maintained by the High School Extra-Curricular Treasurer. As of June 30, 2010, the financial reports show that the High School Extra-Curricular account had \$20,500 in certificate of deposit investments. A similar exception was included in the prior Report B34363.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ATHLETIC CHANGE FUND (Applies to High School)

The prior Report B34363, includes an audit exception that shows the amount of the athletic department cash change fund on hand varied throughout the audit period. The Report also shows that School Officials are unsure of the proper amount of the change fund.

During our current audit, the High Extra-Curricular Treasurer explained to us that she does not keep a record of amounts advanced to the Athletic Department for cash change. Athletic Department Officials also explained to us that they do not maintain a ledger or record of cash change amounts advanced. Athletic Department Officials explained they currently have \$4,500 cash change. But the High Extra-Curricular Treasurer thought the cash change was \$2,500 based on her ledger entries.

At the end of the 2009-2010 school year, Athletic Department Officials explained to us that they returned \$4,926 cash change on May 25, 2010. The High Extra-Curricular Treasurer's records show \$5,026 returned on May 26, 2010, and an additional \$623 returned the next day. Athletic Department Officials could not explain the differences. The High Extra-Curricular Treasurer thought another \$3,000 had yet to be returned.

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

EDUCATIONAL IN NATURE EXPENDITURES (Applies to Washington Elementary)

Washington Elementary School paid \$2,175 on September 12, 2009, for sofas for use in the Library.

Activity or activities as used herein has reference to conducting any athletic, social, class, or other school function and the collection, custody and disbursement of any money in connection therewith, other than functions conducted solely by any organization of parents and teachers, which does not include public money.

WARSAW COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Please note from the definition above, that the extra-curricular account is to be used only for functions which are not educational in nature. Accounts for educational functions must be maintained in the school corporation records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

CONDITION OF RECORDS (Applies to Lincoln Elementary School)

The 2009-2010 annual report for extra-curricular accounts of Lincoln Elementary School was not accurate. The beginning balance was the same as the beginning balance for the 2008-2009 annual report. The "Y-T-D Fund Report receipts and disbursements" totals included totals for the 2008-2009 year.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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 WARSAW COMMUNITY SCHOOLS, KOSCIUSKO COUNTY, INDIANA

Compliance

We have audited the compliance of the Warsaw Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. 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.

As described in item 2010-1 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding subrecipient monitoring that are applicable to its Special Education – Grants to States federal program. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the years ended June 30, 2009 and 2010.

Internal Control Over Compliance

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

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)

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiency.

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. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2010-1, to be material weakness.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on 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 1, 2011

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

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 6-30-09	Total Federal Awards Expended 6-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 320,783	\$ 353,467
National School Lunch Program	10.555		1,379,162	1,413,407
Summer Food Service Program for Children	10.559		<u>31,738</u>	<u>44,921</u>
Total for Cluster			<u>1,731,683</u>	<u>1,811,795</u>
ARRA-Child Nutrition Discretionary Grants Limited Availability	10.579	4415	<u>-</u>	<u>15,000</u>
Total for federal grantor agency			<u>1,731,683</u>	<u>1,826,795</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			
		08-4415	52,663	-
		09-4415	753,472	68,193
		FY2009	-	8,446
		10-4415	<u>-</u>	<u>777,122</u>
Total for program			<u>806,135</u>	<u>853,761</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-4415	<u>-</u>	<u>220,393</u>
Total for Title I Cluster			<u>806,135</u>	<u>1,074,154</u>
Special Education Cluster				
Special Education - Grants to States	84.027			
		14207-045-PY02	50,591	-
		14207-044-DY01	75,653	-
		14208-041-DY01	86,275	1,415
		14208-045-PN01	247,221	-
		14208-045-PY02	50,120	38,416
		14208-056-DY01	22,805	77,195
		14209-045-PN01	2,879,303	97,853
		14209-045-PY02	-	39,195
		14210-045-PN01	<u>-</u>	<u>3,070,952</u>
Total for Program			<u>3,411,968</u>	<u>3,325,026</u>
Special Education - Preschool Grants	84.173			
		45707-045-PY02	3,808	-
		45708-045-PN01	9,268	-
		45708-045-PY02	3,821	1,259
		45709-045-PN01	77,124	5,340
		45709-045-PY02	-	2,608
		45710-045-PN01	<u>-</u>	<u>80,798</u>
Total for program			<u>94,021</u>	<u>90,005</u>
ARRA - Special Education Grants to States, Recovery Act	84.391	33310-045-SN01	<u>-</u>	<u>1,840,422</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-045-SN01	<u>-</u>	<u>59,049</u>
Total For Special Education Cluster			<u>3,505,989</u>	<u>5,314,502</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	4415	<u>3,363,049</u>	<u>1,401,229</u>
Adult Education - Basic Grants to States	84.002			
		FY08-8038	14,537	-
		FY09-8038	68,376	7,942
		FY10-8038	<u>-</u>	<u>78,729</u>
Total for program			<u>82,913</u>	<u>86,671</u>

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

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(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 6-30-09	Total Federal Awards Expended 6-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Fiscal Stabilization Fund Cluster				
Migrant Education - State Grant Program	84.011			
		FY07-08/SY-06	-	143,000
		FY08-09/RM-17	150,000	-
		FY08-09/SM-1	331,847	-
		59G00	-	8,187
		FY09-10/SM-4	18,520	128,980
		FY09-10/SY-11	-	320,837
Total for program			<u>500,367</u>	<u>601,004</u>
Career and Technical Education - Basic Grants to States	84.048			
		09-4700-4415	121,837	17,900
		10-4700-4415	-	122,314
		SPL-BIO-6-130	17,652	6,336
		SPL-BIO-9-130	-	12,234
Total for program			<u>139,489</u>	<u>158,784</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		06-4415	10,000	-
		07-4415	10,942	11,416
		08-4415	-	7,455
Total for program			<u>20,942</u>	<u>18,871</u>
Pass Through Indiana Department of Workforce Development				
Tech Prep Education	84.243			
		C1-8-CPS-7-130	14,533	2,367
		PLTW-8-130	12,845	5,339
		PLTW-9-130	-	5,817
Total for program			<u>27,378</u>	<u>13,523</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
		06-4415	547	-
		07-4415	8,305	4,770
Total for program			<u>8,852</u>	<u>4,770</u>
Education Technology State Grants	84.318			
		S318X060014	44,938	13,444
English Language Acquisition Grants	84.365			
		FY2007-08	194	-
		FY2008-09	125,100	-
		FY2009-10	-	59,894
Total for program			<u>125,294</u>	<u>59,894</u>
Improving Teacher Quality State Grants	84.367			
		06-4415	9,232	-
		07-4415	166,903	42,631
		08-4415	-	149,164
Total for program			<u>176,135</u>	<u>191,795</u>
Pass-Through Huntington County Community School Corporation				
ARRA - Education Technology State Grants, Recovery Act	84.386		-	16,464
Total for federal grantor agency			<u>8,801,481</u>	<u>8,955,105</u>
Total federal awards expended			<u>\$ 10,533,164</u>	<u>\$ 10,781,900</u>

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

WARSAW COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Warsaw Community Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with 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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2009 and 2010:

Program Title	Federal CFDA Number	2009	2010
Special Education – Grants to States	84.027	\$ 1,799,710	\$ 1,790,158
Special Education – Preschool Grants	84.173	40,494	42,701
ARRA – Special Education – Grants to States, Recovery Act	84.391	-	1,158,194
ARRA – Special Education – Preschool Grants, Recovery Act	84.392	-	40,157
Title I Grants to Local Educational Agencies	84.010	-	2,500
Migrant Education – State Grant Program	84.011	-	48,973

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	\$ 26,684	\$ 32,793
National School Lunch Program	10.555	116,014	135,896

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
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 for all programs except Special Education – Grants to States which was qualified

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
84.011	Child Nutrition Cluster Special Education Cluster Title I Cluster State Fiscal Stabilization Fund Cluster Migrant Education – State Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$639,452

Auditee qualified as low-risk auditee? yes

WARSAW COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-1, SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Education
Federal Program: Special Education - Grants to States
CFDA Number: 84.027
Federal Award Number: 14210-045-PN01
Pass-through Entity: Indiana Department of Education

The School Corporation does not require subrecipients to file financial reports. For this grant project, no subrecipient financial reports were provided for our audit. Failure to require subrecipients filing financial reports results in the grantor agency, the School Corporation, being unable to monitor compliance with federal requirements such as cash management. We recommended that the School Corporation begin requiring subrecipients file financial reports.

The North Central Indiana Special Education Cooperative, of which Warsaw Community Schools is the local education agency (LEA), has approved Policy 7.1.5, which requires:

- . . . 4. Each participating school corporation shall comply with all regulations and assurances of the federal projects and maintain documentation of all expenditures in fund notebooks. At the end of the grant cycle, complete copies of the fund notebook shall be provided to the LEA . . . , and 5. On a quarterly basis, each participating school corporation shall submit a report to the LEA regarding federal cash flow management, monitoring their respective grants to avoid excessive cash.

WARSAW COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Corrective Action Plan

Finding No. 2010-1 Subrecipient Monitoring

Federal Agency: U.S. Department of Education

Federal Program: Special Education- Grants to States

CFDA Number: 84.027

Federal Award Number: 14210-045-PN01

Auditee Contact Person: Deborah Blatz

Deborah Blatz
2-1-11

Title of Contact Person: Director of Special Services

Phone number: 574-371-5098

Expected Completion Date: March 15, 2011

The State Board of Accounts Auditor determined an audit finding regarding the monitoring practices of the LEA, Warsaw Community Schools, for the districts in the North Central Indiana Special Education Cooperative. The N.C.I. Advisory Board, composed of the Superintendents from Warsaw, Whitko, Tippecanoe Valley, Wawasee, and Bremen, approved a revision of Cooperative Policy 7.1.5, which addresses Subrecipient Monitoring. This policy was reviewed, revised, and given approval in August 2010. The revision was initiated after the Indiana Department of Education changed its monitoring practices for the federal grants, which are awarded separately to each district, and submitted to the IDOE under one cover. In short, the IDOE instructed districts to use a revised cash reimbursement process which is compiled in one subrecipient report as a Cooperative. Further, the IDOE gave guidance that districts could monitor their grants internally, and that they did not need to submit a budget modification unless the grant scope changed or unless the grant expenditures in any one area were changed by ten percent of the total budget.

Because of the change by our Indiana Department of Education in the way corporations are to monitor their funds, the Policy 7.1.5 on monitoring was revised to reflect the N.C.I. Special Education Cooperative's decentralized structure and philosophy. After the revision, the Cooperative schools have followed it and have not filed subrecipient monitoring reports with Warsaw. Rather, they have followed all the State Board of Accounts procedures and kept their own fund book of expenditures from the federal grants.

Because an audit finding regarding the practices of Policy 7.1.5 was reported to Warsaw Community Schools, the corrective action plan will include a revision of Policy 7.1.5. It will be reviewed and revised in the next NCI Advisory board meeting by the Governing Board. The revision will require the districts in the Cooperative to comply with monitoring procedures designed to comply with applicable Federal regulations. Specifically, the business managers and/or Directors of Special Services of all five districts will be required to submit a district budget modification report if any changes are made in the district's 611 or 619 grants. The LEA Director and Administrative Assistant will determine if the changes from each district require the Cooperative to request a budget modification approval from the IDOE because they meet the 10% change or a change in scope as a Cooperative. If so, the appropriate budget

modification report will be submitted for approval to the IDOE prior to requesting cash reimbursement from the IDOE. In this way, the LEA Director and Special Education Administrative Assistant will insure that the subrecipient districts are following the federal regulations applicable to the grants for each district. The audit finding will be reviewed and the revised Policy 7.5.1 will be reviewed and revised, with approval sought by the NCI Board of Superintendents at their next meeting.

WARSAW COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 1, 2011, with Erica M. Purvis, Treasurer; Dr. Craig J. Hintz, Superintendent of Schools; Deborah A. Wiggins, President of the School Board; and with Kevin Scott, Chief Financial Officer. The official response has been made a part of this report and may be found on page 73.

WARSAW COMMUNITY SCHOOLS

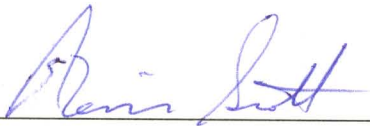
**Official's Response
Audit period July 1, 2008 to June 30, 2010**

The exit conference for WCS was held February 1, 2011 to discuss comment items for the audit period of July 1, 2008 to June 30, 2010. Attendees included Superintendent Dr. Craig J. Hintz, Board of Trustees President Deb Wiggins, Chief Financial Officer Kevin Scott, Corporation Treasurer Erica Purvis, and Bruce Snyder with the State Board of Accounts (SBoA).

In terms of the audit comment items, five are related to district level activities, three are related to high school extra-curricular accounting, and two are related to elementary extra-curricular accounting. Five of the items were one-time events in which the SBoA is recommending alternative handling if there would be a recurrence of the event. For remaining items corrective action has already been implemented.

For the first time in a number of audit cycles there is a Federal Audit finding which relates to monitoring of sub recipients (sub recipients are North Central Indiana Special Education Cooperative schools Tippecanoe Valley, Wawasee, Bremen and Whitko). Monitoring would be in the form of reports provided to Warsaw which operates as the local education agency (LEA) for the Coop. Based on guidance from the Indiana Department of Education and in consideration of the current decentralized structure of the Coop, the N.C.I. Advisory Board revised their report monitoring policy to make member districts responsible for compliance individually and in turn dropped the LEA reporting requirement. The SBoA views this as incorrect and recommends a return to the prior reporting practice via the audit finding. As a result the N.C.I. Advisory Board intends to accept the SBoA guidance and return to the former practice as well as revise its policy once again.

The bi-annual State Board of Accounts audit provides an opportunity for Warsaw Community Schools to review current practices and procedures and make improvements based on recommendations from the State Board of Accounts. We again have benefited from this process. Warsaw Community Schools concurs with the findings of the audit and are generally satisfied that improvements have been made as a result of the audit. There were no material issues raised by the audit comments or finding. We will remain vigilant in seeking opportunities to better our procedures and internal controls as we conduct our daily activities.



Kevin Scott, Chief Financial Officer

2-9-2011

Date