B43205

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WAWASEE COMMUNITY SCHOOL CORPORATION
KOSCUISKO COUNTY, INDIANA

July 1, 2011 to June 30, 2013

FILED
01/31/2014

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Jim Evans	07-01-11 to 06-30-14
Superintendent of Schools	Dr. Thomas Edington	07-01-11 to 06-30-14
President of the School Board	Michael Wilson	01-01-11 to 12-31-12
	Rebecca Linnemeier	01-01-13 to 12-31-13

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WAWASEE COMMUNITY SCHOOL CORPORATION, KOSCUISKO COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Wawasee Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 8, 2014, 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* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

January 8, 2014

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

TO: THE OFFICIALS OF THE WAWASEE COMMUNITY SCHOOL
CORPORATION, KOSCUISKO COUNTY, INDIANA

We have audited, 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, the financial statement of the Wawasee Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated January 8, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.

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

Compliance and Other Matters

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

Wawasee Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

January 8, 2014

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

WAWASEE COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	$ 3,719,148	$ 20,411,197	$ 20,592,975	$ 2,514	$ 3,539,884	$ 20,870,512	$ 20,987,947	$ 1,855	$ 3,424,304
Debt Service	2,951,226	4,868,082	4,513,150	-	3,306,158	4,367,024	4,628,084	-	3,045,098
Retirement/Severance Bond Debt Service	488,765	757,741	751,185	-	495,321	747,156	756,588	-	485,889
Capital Projects	4,070,189	3,765,565	4,946,197	-	2,889,557	3,691,839	4,128,351	-	2,453,045
School Transportation	1,649,404	2,472,131	2,251,662	4,568	1,874,441	2,595,990	2,532,369	-	1,938,062
School Bus Replacement	1,438,678	1,043,678	1,272,361	(850,000)	359,995	403,850	509,168	-	254,677
Rainy Day	4,227,354	-	938,639	850,000	4,138,715	190,884	465,622	-	3,863,977
Retirement/Severance Bond	870	-	350	-	520	-	350	-	170
Post-Retirement/Severance Future Benefits	1,872,352	206,501	46,187	-	2,032,666	1,532	32,120	-	2,002,078
General Obligation Bonds	568,361	-	330,191	-	238,170	-	223,117	-	15,053
High School Bonds	-	-	84,082	100,000	15,918	-	-	-	15,918
School Lunch	481,491	1,403,316	1,267,869	-	616,938	1,405,832	1,320,147	-	702,623
Textbook Rental	164,538	222,152	370,354	-	16,336	253,138	139,827	-	129,647
Self-Insurance	7,233,762	3,556,940	2,626,337	-	8,164,365	3,387,722	3,271,876	-	8,280,211
Educational License Plates	-	450	-	-	450	300	-	-	750
08-09 Alternative Education	3,766	-	350	-	3,416	-	828	-	2,588
11-12 Alternative Education	21,430	-	21,430	-	-	-	-	-	-
12-13 Alternative Education	-	19,305	-	-	19,305	-	19,305	-	-
13-14 Alternative Education	-	-	-	-	-	14,413	-	-	14,413
Early Intervention Grant	1,318	-	1,309	-	9	-	9	-	-
United Way Book Grant	1,233	-	1,157	-	76	-	76	-	-
Women of Today Donation	-	-	-	-	-	300	-	-	300
HS Graduation Coach Grant	2,370	6,250	5,332	-	3,288	-	3,288	-	-
Dekko Welding Program	-	-	-	-	-	9,896	9,896	-	-
Karen Parr Counseling Support	14,610	15	2,275	-	12,350	9	-	-	12,359
KC Education Graduation Coach Grant	-	-	-	-	-	12,500	8,333	-	4,167
Dekko Arts Partnership Program	6,933	-	6,933	-	-	-	-	-	-
11-12 Arts Partnership Grant	4,500	-	3,764	-	736	-	34	-	702
12-13 Arts Partnership Grant	-	6,000	-	-	6,000	-	3,871	-	2,129
13-14 Arts Partnership Grant	-	-	-	-	-	6,000	-	-	6,000
Dekko Kindergarten Redefined Grant	-	56,500	38,800	-	17,700	-	17,700	-	-
12-13 Dekko Kindergarten Grant	-	-	-	-	-	57,976	44,963	-	13,013
Cultivating Primary Development	-	-	-	-	-	101,000	-	-	101,000
Dahlstrom Scholarship	-	1,000	500	-	500	1,500	2,000	-	-
Data Assessment Conference	29	-	29	-	-	-	-	-	-
K-12 Health Foundation Grant	-	-	-	-	-	47,264	47,264	-	-
Conference/Writer's Workshop	605	-	123	-	482	-	145	-	337
Dekko Grant MHT Services	-	5,000	4,734	-	266	-	-	-	266
Random Drug Testing Grant	-	4,500	3,985	-	515	1,250	1,765	-	-
Medtronic Foundation Grant	-	10,720	10,720	-	-	-	-	-	-
Marine Mechanics Program	-	-	-	-	-	81,000	-	-	81,000
ECO Challenge	-	-	-	-	-	1,250	-	-	1,250
Biomedical Science Curriculum	-	-	-	-	-	9,180	3,200	-	5,980

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

WAWASEE COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
10-11 Tech Prep -PLTW Grant	(13,446)	13,446	-	-	-	-	-	-	-
Stadium Sound Athletic AEF	-	-	-	-	-	10,000	9,288	-	712
11-12 High Ability Grant	-	37,373	35,645	-	1,728	-	1,728	-	-
12-13 High Ability Grant	-	-	-	-	-	38,676	36,942	-	1,734
Medicaid Reimbursement State	144	2,726	-	(2,514)	356	2,878	-	(2,555)	679
10-11 Non-English Speaking Grant	2,826	-	2,826	-	-	-	-	-	-
11-12 Non-English Speaking Grant	-	15,836	11,934	-	3,902	-	3,902	-	-
12-13 Non-English Speaking Grant	-	-	-	-	-	16,309	13,949	-	2,360
School Technology	4,439	4,768	8,015	-	1,192	4,491	4,455	-	1,228
10-11 Title 1	(10,045)	76,070	66,025	-	-	-	-	-	-
11-12 Title 1	-	119,202	213,785	-	(94,583)	195,485	100,902	-	-
12-13 Title 1	-	-	-	-	-	243,158	296,129	-	(52,971)
11-12 School Age Special Services Part B	-	400,650	508,770	-	(108,120)	226,720	122,082	-	(3,482)
10-11 School Age Special Services Part B	(112,739)	230,412	121,285	-	(3,612)	10,765	7,153	-	-
13 Special Education Improvement Award	-	-	-	-	-	-	1,111	-	(1,111)
12-13 School Age Special Services	-	-	-	-	-	424,512	512,091	-	(87,579)
11-12 Preschool Special Needs	-	13,016	14,994	-	(1,978)	1,805	(173)	-	-
10-11 Preschool Special Needs	(2,289)	942	(1,347)	-	-	-	-	-	-
12-13 Preschool Special Needs	-	-	-	-	-	10,321	12,463	-	(2,142)
09-10 Drug Free Title IV	-	1,666	1,666	-	-	-	-	-	-
10-11 Perkins Grant	(7,974)	7,974	-	-	-	-	-	-	-
11-12 Perkins Grant	-	100,451	104,798	-	(4,347)	13,730	9,383	-	-
12-13 Perkins Grant	-	-	-	-	-	85,195	105,141	-	(19,946)
Medicaid Reimbursement - Federal	1,551	5,049	478	-	6,122	9,211	6,452	-	8,881
09-10 Title II Part A	1,183	46,424	47,607	-	-	-	-	-	-
10-11 Title II Part A	-	77,731	82,489	-	(4,758)	23,749	18,991	-	-
11-12 Title II Part A	-	-	-	-	-	72,641	77,587	-	(4,946)
12-13 Title II Part A	-	-	-	-	-	741	741	-	-
10-11 Title III	(1,928)	2,545	617	-	-	-	-	-	-
11-12 Title III	-	14,857	17,046	-	(2,189)	5,064	2,875	-	-
12-13 Title III	-	-	-	-	-	17,951	18,500	-	(549)
11-12 Tech Prep Biomedical	-	9,785	9,787	-	(2)	2	-	-	-
11-12 Tech Prep PLTW	-	15,417	15,417	-	-	-	-	-	-
Title I - Grants to LEAs	(1,961)	16,038	11,800	-	2,277	-	2,277	-	-
Special Education - Part B	(16,608)	68,971	52,363	-	-	-	-	-	-
Special Education - Part B - Preschool	(3,750)	3,838	88	-	-	-	-	-	-
Education Technology	(15,698)	23,613	7,915	-	-	-	-	-	-
Qualified School Construction Bond	59,489	-	20,000	-	39,489	-	40,189	700	-
Education Jobs	-	470,308	470,308	-	-	326,103	326,103	-	-
Payroll Clearing	(76,867)	-	-	155,507	78,640	-	-	(8,055)	70,585
Totals	$ 28,729,259	$ 40,596,151	$ 41,917,291	$ 260,075	$ 27,668,194	$ 39,998,824	$ 40,888,504	$ (8,055)	$ 26,770,459

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of correction of errors from a prior period. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative disbursement was shown in current period.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School was not received by June 30, 2012 or 2013.

Note 9. Holding Corporations

The School Corporation has entered into a capital lease with Wawasee 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 2012 and 2013 totaled $98,998 and $139,107, respectively.

The School Corporation has entered into a capital lease with Wawasee Community School Corporation New Elementary and Remodeling 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 2012 and 2013 totaled $2,258,270 and $2,406,498, respectively.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://mustang.doe.state.in.us/TRENDS/fin.cfm. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	$ 3,719,148	$ 2,951,226	$ 488,765	$ 4,070,189	$ 1,649,404	$ 1,438,678	$ 4,227,354	$ 870	$ 1,872,352
Receipts:									
Local sources	166,935	4,868,082	757,741	3,735,049	1,971,394	1,043,678	-	-	2,288
Intermediate sources	285	-	-	-	-	-	-	-	-
State sources	19,176,320	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	1,059,461	-	-	-	498,172	-	-	-	-
Other	8,196	-	-	30,516	2,565	-	-	-	204,213
Total receipts	20,411,197	4,868,082	757,741	3,765,565	2,472,131	1,043,678	-	-	206,501
Disbursements:									
Current:									
Instruction	14,658,105	-	-	-	-	-	-	-	-
Support services	4,422,583	-	-	1,558,666	1,924,076	487,950	-	350	46,187
Noninstructional services	457,385	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,364,031	-	-	938,639	-	-
Debt services	1,054,902	4,513,150	751,185	23,500	327,586	784,411	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	20,592,975	4,513,150	751,185	4,946,197	2,251,662	1,272,361	938,639	350	46,187
Excess (deficiency) of receipts over disbursements	(181,778)	354,932	6,556	(1,180,632)	220,469	(228,683)	(938,639)	(350)	160,314
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	2,514	-	-	-	4,568	-	850,000	-	-
Transfers out	-	-	-	-	-	(850,000)	-	-	-
Total other financing sources (uses)	2,514	-	-	-	4,568	(850,000)	850,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(179,264)	354,932	6,556	(1,180,632)	225,037	(1,078,683)	(88,639)	(350)	160,314
Cash and investments - ending	$ 3,539,884	$ 3,306,158	$ 495,321	$ 2,889,557	$ 1,874,441	$ 359,995	$ 4,138,715	$ 520	$ 2,032,666

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

	General Obligation Bonds	High School Bonds	School Lunch	Textbook Rental	Self-Insurance	Educational License Plates	08-09 Alternative Education	11-12 Alternative Education	12-13 Alternative Education
Cash and investments - beginning	$ 568,361	$ -	$ 481,491	$ 164,538	$ 7,233,762	$ -	$ 3,766	$ 21,430	$ -
Receipts:									
Local sources	-	-	582,300	108,068	3,556,940	-	-	-	-
Intermediate sources	-	-	-	-	-	450	-	-	-
State sources	-	-	17,086	114,084	-	-	-	-	19,305
Federal sources	-	-	803,930	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,403,316	222,152	3,556,940	450	-	-	19,305
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	350	21,430	-
Support services	-	-	-	370,354	-	-	-	-	-
Noninstructional services	-	-	1,267,869	-	-	-	-	-	-
Facilities acquisition and construction	330,191	84,082	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	2,626,337	-	-	-	-
Total disbursements	330,191	84,082	1,267,869	370,354	2,626,337	-	350	21,430	-
Excess (deficiency) of receipts over disbursements	(330,191)	(84,082)	135,447	(148,202)	930,603	450	(350)	(21,430)	19,305
Other financing sources (uses):									
Proceeds of long-term debt	-	100,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	100,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(330,191)	15,918	135,447	(148,202)	930,603	450	(350)	(21,430)	19,305
Cash and investments - ending	$ 238,170	$ 15,918	$ 616,938	$ 16,336	$ 8,164,365	$ 450	$ 3,416	$ -	$ 19,305

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

	13-14 Alternative Education	Early Intervention Grant	United Way Book Grant	Women of Today Donation	HS Graduation Coach Grant	Dekko Welding Program	Karen Parr Counseling Support	KC Education Graduation Coach Grant	Dekko Arts Partnership Program
Cash and investments - beginning	$ -	$ 1,318	$ 1,233	$ -	$ 2,370	$ -	$ 14,610	$ -	$ 6,933
Receipts:									
Local sources	-	-	-	-	-	-	15	-	-
Intermediate sources	-	-	-	-	6,250	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	6,250	-	15	-	-
Disbursements:									
Current:									
Instruction	-	-	1,157	-	5,332	-	-	-	6,933
Support services	-	1,309	-	-	-	-	2,275	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,309	1,157	-	5,332	-	2,275	-	6,933
Excess (deficiency) of receipts over disbursements	-	(1,309)	(1,157)	-	918	-	(2,260)	-	(6,933)
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	-	(1,309)	(1,157)	-	918	-	(2,260)	-	(6,933)
Cash and investments - ending	$ -	$ 9	$ 76	$ -	$ 3,288	$ -	$ 12,350	$ -	$ -

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

	11-12 Arts Partnership Grant	12-13 Arts Partnership Grant	13-14 Arts Partnership Grant	Dekko Kindergarten Redefined Grant	12-13 Dekko Kindergarten Grant	Cultivating Primary Development	Dahlstrom Scholarship	Data Assessment Conference	K-12 Health Foundation Grant
Cash and investments - beginning	$ 4,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 29	$ -
Receipts:									
Local sources	-	6,000	-	56,500	-	-	1,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	6,000	-	56,500	-	-	1,000	-	-
Disbursements:									
Current:									
Instruction	3,764	-	-	28,365	-	-	-	29	-
Support services	-	-	-	10,435	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	500	-	-
Total disbursements	3,764	-	-	38,800	-	-	500	29	-
Excess (deficiency) of receipts over disbursements	(3,764)	6,000	-	17,700	-	-	500	(29)	-
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	(3,764)	6,000	-	17,700	-	-	500	(29)	-
Cash and investments - ending	$ 736	$ 6,000	$ -	$ 17,700	$ -	$ -	$ 500	$ -	$ -

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

	Conference Writer's Workshop	Dekko Grant MHT Services	Random Drug Testing Grant	Medtronic Foundation Grant	Marine Mechanics Program	ECO Challenge	Biomedical Science Curriculum	10-11 Tech Prep- PLTW Grant
Cash and investments - beginning	$ 605	$ -	$ -	$ -	$ -	$ -	$ -	$ (13,446)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	5,000	4,500	10,720	-	-	-	13,446
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	5,000	4,500	10,720	-	-	-	13,446
Disbursements:								
Current:								
Instruction	123	4,734	3,985	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	10,720	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	123	4,734	3,985	10,720	-	-	-	-
Excess (deficiency) of receipts over disbursements	(123)	266	515	-	-	-	-	13,446
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	(123)	266	515	-	-	-	-	13,446
Cash and investments - ending	$ 482	$ 266	$ 515	$ -	$ -	$ -	$ -	$ -

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

	Stadium Sount Athletic AEF	11-12 High Ability Grant	12-13 High Ability Grant	Medicaid Reimbursement State	10-11 Non-English Speaking Grant	11-12 Non-English Speaking Grant	12-13 Non-English Speaking Grant	School Technology
Cash and investments - beginning	$ -	$ -	$ -	$ 144	$ 2,826	$ -	$ -	$ 4,439
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	37,373	-	2,726	-	15,836	-	4,768
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	37,373	-	2,726	-	15,836	-	4,768
Disbursements:								
Current:								
Instruction	-	35,645	-	-	2,826	11,734	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	200	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	8,015
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	35,645	-	-	2,826	11,934	-	8,015
Excess (deficiency) of receipts over disbursements	-	1,728	-	2,726	(2,826)	3,902	-	(3,247)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,514)	-	-	-	-
Total other financing sources (uses)	-	-	-	(2,514)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,728	-	212	(2,826)	3,902	-	(3,247)
Cash and investments - ending	$ -	$ 1,728	$ -	$ 356	$ -	$ 3,902	$ -	$ 1,192

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

	10-11 Title 1	11-12 Title 1	12-13 Title 1	11-12 School Age Special Services Part B	10-11 School Age Special Services Part B	13 Special Education Improvement Award	12-13 School Age Special Services	11-12 Preschool Special Needs
Cash and investments - beginning	$ (10,045)	$ -	$ -	$ -	$ (112,739)	$ -	$ -	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	76,070	119,202	-	400,650	230,412	-	-	13,016
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	76,070	119,202	-	400,650	230,412	-	-	13,016
Disbursements:								
Current:								
Instruction	45,786	150,752	-	269,627	51,890	-	-	14,994
Support services	19,897	59,383	-	239,143	69,395	-	-	-
Noninstructional services	342	3,650	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	66,025	213,785	-	508,770	121,285	-	-	14,994
Excess (deficiency) of receipts over disbursements	10,045	(94,583)	-	(108,120)	109,127	-	-	(1,978)
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	10,045	(94,583)	-	(108,120)	109,127	-	-	(1,978)
Cash and investments - ending	$ -	$ (94,583)	$ -	$ (108,120)	$ (3,612)	$ -	$ -	$ (1,978)

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

	10-11 Preschool Special Needs	12-13 Preschool Special Needs	09-10 Drug Free Title IV	10-11 Perkins Grant	11-12 Perkins Grant	12-13 Perkins Grant	Medicaid Reimbursement Federal	09-10 Title II Part A
Cash and investments - beginning	$ (2,289)	$ -	$ -	$ (7,974)	$ -	$ -	$ 1,551	$ 1,183
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	7,974	-	-	-	-
Federal sources	942	-	1,666	-	100,451	-	5,049	46,424
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	942	-	1,666	7,974	100,451	-	5,049	46,424
Disbursements:								
Current:								
Instruction	(1,347)	-	1,666	-	104,798	-	-	35,878
Support services	-	-	-	-	-	-	478	11,729
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	(1,347)	-	1,666	-	104,798	-	478	47,607
Excess (deficiency) of receipts over disbursements	2,289	-	-	7,974	(4,347)	-	4,571	(1,183)
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	2,289	-	-	7,974	(4,347)	-	4,571	(1,183)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ (4,347)	$ -	$ 6,122	$ -

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

	10-11 Title II Part A	11-12 Title II Part A	12-13 Title II Part A	10-11 Title III	11-12 Title III	12-13 Title III	11-12 Tech Prep Biomedical	11-12 Tech Prep PLTW
Cash and investments - beginning	$ -	$ -	$ -	$ (1,928)	$ -	$ -	$ -	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	77,731	-	-	2,545	14,857	-	9,785	15,417
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	77,731	-	-	2,545	14,857	-	9,785	15,417
Disbursements:								
Current:								
Instruction	74,880	-	-	617	16,644	-	9,787	15,417
Support services	7,609	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	402	-	-	-
Total disbursements	82,489	-	-	617	17,046	-	9,787	15,417
Excess (deficiency) of receipts over disbursements	(4,758)	-	-	1,928	(2,189)	-	(2)	-
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	(4,758)	-	-	1,928	(2,189)	-	(2)	-
Cash and investments - ending	$ (4,758)	$ -	$ -	$ -	$ (2,189)	$ -	$ (2)	$ -

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

	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Technology	Qualified School Construction Bond	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	$ (1,961)	$ (16,608)	$ (3,750)	$ (15,698)	$ 59,489	$ -	$ (76,867)	$ 28,729,259
Receipts:								
Local sources	-	-	-	-	-	470,308	-	17,326,298
Intermediate sources	-	-	-	-	-	-	-	40,651
State sources	-	-	-	-	-	-	-	19,395,472
Federal sources	16,038	68,971	3,838	23,613	-	-	-	2,030,607
Temporary loans	-	-	-	-	-	-	-	1,557,633
Other	-	-	-	-	-	-	-	245,490
Total receipts	16,038	68,971	3,838	23,613	-	470,308	-	40,596,151
Disbursements:								
Current:								
Instruction	-	6,439	88	7,915	-	470,308	-	16,060,651
Support services	11,800	45,924	-	-	-	-	-	9,289,543
Noninstructional services	-	-	-	-	-	-	-	1,729,446
Facilities acquisition and construction	-	-	-	-	20,000	-	-	4,755,678
Debt services	-	-	-	-	-	-	-	7,454,734
Nonprogrammed charges	-	-	-	-	-	-	-	2,627,239
Total disbursements	11,800	52,363	88	7,915	20,000	470,308	-	41,917,291
Excess (deficiency) of receipts over disbursements	4,238	16,608	3,750	15,698	(20,000)	-	-	(1,321,140)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	100,000
Transfers in	-	-	-	-	-	-	5,254,592	6,111,674
Transfers out	-	-	-	-	-	-	(5,099,085)	(5,951,599)
Total other financing sources (uses)	-	-	-	-	-	-	155,507	260,075
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,238	16,608	3,750	15,698	(20,000)	-	155,507	(1,061,065)
Cash and investments - ending	$ 2,277	$ -	$ -	$ -	$ 39,489	$ -	$ 78,640	$ 27,668,194

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	$ 3,539,884	$ 3,306,158	$ 495,321	$ 2,889,557	$ 1,874,441	$ 359,995	$ 4,138,715	$ 520	$ 2,032,666
Receipts:									
Local sources	192,446	4,367,024	747,156	3,638,081	2,046,467	403,850	-	-	1,532
Intermediate sources	95	-	-	-	-	-	-	-	-
State sources	19,554,922	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	190,884	-	-
Temporary loans	1,082,220	-	-	-	501,510	-	-	-	-
Other	40,829	-	-	53,758	48,013	-	-	-	-
Total receipts	20,870,512	4,367,024	747,156	3,691,839	2,595,990	403,850	190,884	-	1,532
Disbursements:									
Current:									
Instruction	14,806,650	-	-	-	-	-	-	-	-
Support services	4,670,656	-	-	1,423,896	2,034,197	509,168	-	350	32,120
Noninstructional services	451,180	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,687,210	-	-	465,622	-	-
Debt services	1,059,461	4,628,084	756,588	17,245	498,172	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	20,987,947	4,628,084	756,588	4,128,351	2,532,369	509,168	465,622	350	32,120
Excess (deficiency) of receipts over disbursements	(117,435)	(261,060)	(9,432)	(436,512)	63,621	(105,318)	(274,738)	(350)	(30,588)
Other financing sources (uses):									
Transfers in	2,555	-	-	-	-	-	-	-	-
Transfers out	(700)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,855	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(115,580)	(261,060)	(9,432)	(436,512)	63,621	(105,318)	(274,738)	(350)	(30,588)
Cash and investments - ending	$ 3,424,304	$ 3,045,098	$ 485,889	$ 2,453,045	$ 1,938,062	$ 254,677	$ 3,863,977	$ 170	$ 2,002,078

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	General Obligation Bonds	High School Bonds	School Lunch	Textbook Rental	Self-Insurance	Educational License Plates	08-09 Alternative Education	11-12 Alternative Education	12-13 Alternative Education
Cash and investments - beginning	$ 238,170	$ 15,918	$ 616,938	$ 16,336	$ 8,164,365	$ 450	$ 3,416	$ -	$ 19,305
Receipts:									
Local sources	-	-	597,564	141,259	3,387,722	-	-	-	-
Intermediate sources	-	-	-	-	-	300	-	-	-
State sources	-	-	16,507	111,879	-	-	-	-	-
Federal sources	-	-	791,723	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	38	-	-	-	-	-	-
Total receipts	-	-	1,405,832	253,138	3,387,722	300	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	828	-	19,305
Support services	-	-	133	139,827	-	-	-	-	-
Noninstructional services	-	-	1,320,014	-	-	-	-	-	-
Facilities acquisition and construction	223,117	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,271,876	-	-	-	-
Total disbursements	223,117	-	1,320,147	139,827	3,271,876	-	828	-	19,305
Excess (deficiency) of receipts over disbursements	(223,117)	-	85,685	113,311	115,846	300	(828)	-	(19,305)
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	(223,117)	-	85,685	113,311	115,846	300	(828)	-	(19,305)
Cash and investments - ending	$ 15,053	$ 15,918	$ 702,623	$ 129,647	$ 8,280,211	$ 750	$ 2,588	$ -	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	13-14 Alternative Education	Early Intervention Grant	United Way Book Grant	Women of Today Donation	HS Graduation Coach Grant	Dekko Welding Program	Karen Parr Counseling Support	KC Education Graduation Coach Grant	Dekko Arts Partnership Program
Cash and investments - beginning	$ -	$ 9	$ 76	$ -	$ 3,288	$ -	$ 12,350	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	9,896	9	-	-
Intermediate sources	-	-	-	300	-	-	-	12,500	-
State sources	14,413	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	14,413	-	-	300	-	9,896	9	12,500	-
Disbursements:									
Current:									
Instruction	-	-	76	-	3,288	9,896	-	8,333	-
Support services	-	9	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	9	76	-	3,288	9,896	-	8,333	-
Excess (deficiency) of receipts over disbursements	14,413	(9)	(76)	300	(3,288)	-	9	4,167	-
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	14,413	(9)	(76)	300	(3,288)	-	9	4,167	-
Cash and investments - ending	$ 14,413	$ -	$ -	$ 300	$ -	$ -	$ 12,359	$ 4,167	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	11-12 Arts Partnership Grant	12-13 Arts Partnership Grant	13-14 Arts Partnership Grant	Dekko Kindergarten Redefined Grant	12-13 Dekko Kindergarten Grant	Cultivating Primary Development	Dahlstrom Scholarship	Data Assessment Conference	K-12 Health Foundation Grant
Cash and investments - beginning	$ 736	$ 6,000	$ -	$ 17,700	$ -	$ -	$ 500	$ -	$ -
Receipts:									
Local sources	-	-	6,000	-	57,976	101,000	1,500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	47,264
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	6,000	-	57,976	101,000	1,500	-	47,264
Disbursements:									
Current:									
Instruction	34	3,871	-	15,205	34,512	-	-	-	-
Support services	-	-	-	2,495	10,451	-	-	-	47,264
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	2,000	-	-
Total disbursements	34	3,871	-	17,700	44,963	-	2,000	-	47,264
Excess (deficiency) of receipts over disbursements	(34)	(3,871)	6,000	(17,700)	13,013	101,000	(500)	-	-
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	(34)	(3,871)	6,000	(17,700)	13,013	101,000	(500)	-	-
Cash and investments - ending	$ 702	$ 2,129	$ 6,000	$ -	$ 13,013	$ 101,000	$ -	$ -	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Conference Writer's Workshop	Dekko Grant MHT Services	Random Drug Testing Grant	Medtronic Foundation Grant	Marine Mechanics Program	ECO Challenge	Biomedical Science Curriculum	10-11 Tech Prep-PLTW Grant
Cash and investments - beginning	$ 482	$ 266	$ 515	$ -	$ -	$ -	$ -	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	1,250	-	81,000	1,250	9,180	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	1,250	-	81,000	1,250	9,180	-
Disbursements:								
Current:								
Instruction	145	-	1,765	-	-	-	3,200	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	145	-	1,765	-	-	-	3,200	-
Excess (deficiency) of receipts over disbursements	(145)	-	(515)	-	81,000	1,250	5,980	-
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	(145)	-	(515)	-	81,000	1,250	5,980	-
Cash and investments - ending	$ 337	$ 266	$ -	$ -	$ 81,000	$ 1,250	$ 5,980	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Stadium Sount Athletic AEF	11-12 High Ability Grant	12-13 High Ability Grant	Medicaid Reimbursement State	10-11 Non-English Speaking Grant	11-12 Non-English Speaking Grant	12-13 Non-English Speaking Grant	School Technology
Cash and investments - beginning	$ -	$ 1,728	$ -	$ 356	$ -	$ 3,902	$ -	$ 1,192
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	10,000	-	-	-	-	-	-	-
State sources	-	-	38,676	2,878	-	-	16,309	4,491
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	10,000	-	38,676	2,878	-	-	16,309	4,491
Disbursements:								
Current:								
Instruction	-	1,728	36,942	-	-	1,001	13,713	-
Support services	-	-	-	-	-	2,901	-	-
Noninstructional services	-	-	-	-	-	-	236	-
Facilities acquisition and construction	9,288	-	-	-	-	-	-	4,455
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	9,288	1,728	36,942	-	-	3,902	13,949	4,455
Excess (deficiency) of receipts over disbursements	712	(1,728)	1,734	2,878	-	(3,902)	2,360	36
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,555)	-	-	-	-
Total other financing sources (uses)	-	-	-	(2,555)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	712	(1,728)	1,734	323	-	(3,902)	2,360	36
Cash and investments - ending	$ 712	$ -	$ 1,734	$ 679	$ -	$ -	$ 2,360	$ 1,228

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	10-11 Title 1	11-12 Title 1	12-13 Title 1	11-12 School Age Special Services Part B	10-11 School Age Special Services Part B	13 Special Education Improvement Award	12-13 School Age Special Services	11-12 Preschool Special Needs
Cash and investments - beginning	$ -	$ (94,583)	$ -	$ (108,120)	$ (3,612)	$ -	$ -	$ (1,978)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	195,485	243,158	226,720	10,765	-	424,512	1,805
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	195,485	243,158	226,720	10,765	-	424,512	1,805
Disbursements:								
Current:								
Instruction	-	54,666	220,493	51,606	-	1,111	269,694	(173)
Support services	-	43,865	71,045	70,476	7,153	-	242,397	-
Noninstructional services	-	2,371	4,591	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	100,902	296,129	122,082	7,153	1,111	512,091	(173)
Excess (deficiency) of receipts over disbursements	-	94,583	(52,971)	104,638	3,612	(1,111)	(87,579)	1,978
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	-	94,583	(52,971)	104,638	3,612	(1,111)	(87,579)	1,978
Cash and investments - ending	$ -	$ -	$ (52,971)	$ (3,482)	$ -	$ (1,111)	$ (87,579)	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	10-11 Preschool Special Needs	12-13 Preschool Special Needs	09-10 Drug Free Title IV	10-11 Perkins Grant	11-12 Perkins Grant	12-13 Perkins Grant	Medicaid Reimbursement Federal	09-10 Title II Part A
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ (4,347)	$ -	$ 6,122	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	10,321	-	-	13,730	85,195	9,211	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	10,321	-	-	13,730	85,195	9,211	-
Disbursements:								
Current:								
Instruction	-	12,463	-	-	3,333	105,141	-	-
Support services	-	-	-	-	6,050	-	6,452	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	12,463	-	-	9,383	105,141	6,452	-
Excess (deficiency) of receipts over disbursements	-	(2,142)	-	-	4,347	(19,946)	2,759	-
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	-	(2,142)	-	-	4,347	(19,946)	2,759	-
Cash and investments - ending	$ -	$ (2,142)	$ -	$ -	$ -	$ (19,946)	$ 8,881	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	10-11 Title II Part A	11-12 Title II Part A	12-13 Title II Part A	10-11 Title III	11-12 Title III	12-13 Title III	11-12 Tech Prep Biomedical	11-12 Tech Prep PLTW
Cash and investments - beginning	$ (4,758)	$ -	$ -	$ -	$ (2,189)	$ -	$ (2)	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	23,749	72,641	741	-	5,064	17,951	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	2	-
Total receipts	23,749	72,641	741	-	5,064	17,951	2	-
Disbursements:								
Current:								
Instruction	1,554	40,315	-	-	2,875	12,739	-	-
Support services	14,646	34,993	741	-	-	5,761	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,791	2,279	-	-	-	-	-	-
Total disbursements	18,991	77,587	741	-	2,875	18,500	-	-
Excess (deficiency) of receipts over disbursements	4,758	(4,946)	-	-	2,189	(549)	2	-
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	4,758	(4,946)	-	-	2,189	(549)	2	-
Cash and investments - ending	$ -	$ (4,946)	$ -	$ -	$ -	$ (549)	$ -	$ -

WAWASEE COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Technology	Qualified School Construction Bond	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	$ 2,277	$ -	$ -	$ -	$ 39,489	$ -	$ 78,640	$ 27,668,194
Receipts:								
Local sources	-	-	-	-	-	-	-	15,699,482
Intermediate sources	-	-	-	-	-	-	-	163,139
State sources	-	-	-	-	-	-	-	19,760,075
Federal sources	-	-	-	-	-	326,103	-	2,649,758
Temporary loans	-	-	-	-	-	-	-	1,583,730
Other	-	-	-	-	-	-	-	142,640
Total receipts	-	-	-	-	-	326,103	-	39,998,824
Disbursements:								
Current:								
Instruction	-	-	-	-	-	62,385	-	15,798,694
Support services	2,277	-	-	-	-	263,718	-	9,643,041
Noninstructional services	-	-	-	-	-	-	-	1,778,392
Facilities acquisition and construction	-	-	-	-	40,189	-	-	3,429,881
Debt services	-	-	-	-	-	-	-	6,959,550
Nonprogrammed charges	-	-	-	-	-	-	-	3,278,946
Total disbursements	2,277	-	-	-	40,189	326,103	-	40,888,504
Excess (deficiency) of receipts over disbursements	(2,277)	-	-	-	(40,189)	-	-	(889,680)
Other financing sources (uses):								
Transfers in	-	-	-	-	700	-	5,218,471	5,221,726
Transfers out	-	-	-	-	-	-	(5,226,526)	(5,229,781)
Total other financing sources (uses)	-	-	-	-	700	-	(8,055)	(8,055)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,277)	-	-	-	(39,489)	-	(8,055)	(897,735)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ 70,585	$ 26,770,459

WAWASEE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER DISBURSEMENTS

The School Corporation recorded disbursements in their records in December 2011 for $2,309,234; however, the checks written to pay these expenses were not forwarded to the payee for up to 6 months. These included checks to Hall & Morose for insurance premiums held from March to September 2012 for $350,360, transfers to Wawasee Self-Insurance Fund for $1,958,874 held from February to June 2012.

The School Corporation recorded disbursements in their records in December 2012 for $2,903,842; however, the checks written to pay these expenses were not forwarded to the payee for up to 6 months. These disbursements included a check to Kerlin Bus Sales for $503,842, held from December 2012 until June 2013; a check to Hall & Marose for insurance premiums for $100,000, held from December 2012 until June 2013; and transfers to Wawasee Self-Insurance Fund $550,000, held from December 2012 until March 2013, and $1,750,000 held until June 2013.

The held checks resulted in an understatement of the cash balances during the months the checks were held.

A similar comment appeared in the prior Report B39957.

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 Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE WAWASEE COMMUNITY SCHOOL CORPORATION, KOSCUISKO COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Wawasee Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-002 and 2013-003 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

January 8, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

WAWASEE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2012 and 2013

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		$ 159,526	$ 151,634
National School Lunch Program	10.555		743,792	833,132
Summer Food Service Program for Children	10.559		-	6,750
Total for cluster			903,318	991,516
Child and Adult Care Food Program	10.558		-	4,835
Total for federal grantor agency			903,318	991,516
DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies	84.010	11-4345	70,594	-
		12-4345	119,203	195,484
		13-4345	-	243,159
Total for program			189,797	438,643
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	FY 10-11 ARRA	11,800	1,349
			-	-
Total for cluster			201,597	439,992
Pass-Through Warsaw Community School Corporation				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	FY 10-11	121,286	7,153
		FY 11-12	400,649	226,722
		FY 12-13	-	424,513
Total for program			521,935	658,388
Special Education - Preschool Grants	84.173	FY 11-12	13,015	1,805
		FY 12-13	-	10,321
Total for program			13,015	12,126
ARRA - Special Education - Grants to States, Recovery Act	84.391	7953 ARRA	52,363	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-045-SN01	88	-
Total for cluster			587,401	670,514

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

WAWASEE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States	84.048	11-6200-4345	25,202	-
		FY 11-12	100,452	13,730
		FY 12-13	-	85,195
Total for program			125,654	98,925
Safe and Drug Free Schools and Communities - State Grants	84.186	10-4345	1,666	-
English Language Acquisition Grants	84.365	FY 10-11	617	
		FY 11-12	14,857	5,067
		FY 12-13	-	17,951
Total for program			15,474	23,018
Improving Teacher Quality State Grants	84.367	FY 09-10	47,605	
		FY 10-11	77,731	23,748
		FY 11-12	-	72,640
		FY 12-13	-	741
Total for program			125,336	97,129
Education Jobs Fund	84.410	4345	314,697	326,103
Total for federal grantor agency			1,371,825	1,655,681
Total federal awards expended			$ 2,275,143	$ 2,652,032

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

WAWASEE COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of $500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	$ 17,552	$ 18,282
National School Lunch Program	10.555	81,836	89,596

WAWASEE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Title 1, Part A Cluster
84.410	Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions. Effective internal control over financial transactions involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. The School Corporation has chosen to override internal controls related to disbursements, and therefore, has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements.

The School Corporation has chosen to override established controls to allow for the proper reporting of the School Corporation's disbursements. Checks were written and posted to funds but held for a period of two to six months before those checks were either sent to vendor or cashed for the School Corporation. The checks held for these periods are the following:

1. The School Corporation held checks in December 2011 for $2,309,234. These included checks to Hall & Morose for insurance premiums held from March to September 2012 for $350,360, and transfers to Wawasee Self-Insurance Fund for $1,958,874 held from February to June 2012.

2. The School Corporation held checks in December 2012 for $2,903,842. These included a check to Kerlin Bus Sales for $503,842, until June 2013; Hall & Marose for insurance premiums for $100,000, until June 2013; and transfers to Wawasee Self-Insurance Fund for $550,000, held until March 2013, and for $1,750,000, held until June 2013.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

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 Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-002 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service for Children
CFDA Number: 10.533, 10.555, 10.559
Federal Award Number and Year: 2011-2012 & 2012-2013 Fiscal Years
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies, ARRA -
Title 1 Grants to Local Educational Agencies, Recovery Act
CFDA Number: 84.010 and 84.389
Federal Award Number and Year (or Other Identifying Number): 11-4345, 12-4345, 13-4345, FY 10-11 ARRA
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

WAWASEE COMMUNITY SCHOOL CORPORATION

DR. THOMAS EDINGTON
Superintendent of Schools

MRS. JOY GOSHERT
Director of Curriculum & Instruction

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MR. JIM EVANS
Director of Finance

MRS. WENDY HITE
Director of Special Services

Section II – Financial Statement Findings

Finding 2013-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

The School Corporation will establish and implement effective controls to allow for the proper reporting of the School's disbursements

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-002 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD NUTRITION CLUSTER

Federal Agency: U.S. DEPARTMENT OF AGRICULTURE
Federal program: Child Nutrition Cluster
CFDA Number: 10.555
Federal Award Number and Year: 2011-2012 & 2012-2013 Fiscal Years
Pass-Through Entity: Indiana Department of Education

The School Corporation will establish and implement controls, including segregation of duties, related to allowable activities and costs, cash management and reporting, that have a direct and material effect to the program.

FINDING 2013-003 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE 1

Federal Agency: U.S. DEPARTMENT OF EDUATION
Federal Program: Title 1 Cluster
CFDA Number: 84.010 and 84.389
Federal Award Number and Year (or Other Identifying Number): 11-4345, 12-4345, 13-4345
Pass-Through Entity: Indiana Department of Education

The School Corporation will establish and implement controls, including segregation of duties, related to allowable activities and costs, cash management and reporting, that have a direct and material effect to the program.

James Evans
Director of Finance

January 8, 2014

WAWASEE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 8, 2014, with Dr. Thomas Edington, Superintendent of Schools; Jim Evans, Treasurer; and Rebecca Linnemeier, President of the School Board. The officials concurred with our audit findings.