B43279

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

MICHIGAN CITY AREA SCHOOLS
LAPORTE COUNTY, INDIANA

July 1, 2011 to June 30, 2013

FILED
03/03/2014

TABLE OF CONTENTS

SCHEDULE OF OFFICIALS

Office	Official	Term
Chief Financial Officer	Theophilus Boone, Jr.	07-01-11 to 11-19-11
	Richard G. Cook (Interim)	11-20-11 to 04-11-12
	Lance Werner	04-12-12 to 12-31-13
Superintendent of Schools	Dr. Barbara Eason-Watkins	07-01-11 to 01-31-13
President of the School Board	James L. Kintzele, Sr.	07-01-11 to 12-31-11
	Donald J. Dulaney	01-01-12 to 12-31-13

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE MICHIGAN CITY AREA SCHOOLS, LAPORTE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Michigan City Area Schools (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 February 3, 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, Schedule of Leases and Debt, and Schedule of Capital Assets, 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.

Other Information

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

February 3, 2014

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON 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 MICHIGAN CITY AREA SCHOOLS, LAPORTE 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 Michigan City Area Schools (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 February 3, 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.

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. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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)

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*.

Michigan City Area Schools' Response to Findings

The School Corporation's response to our audit is described in the accompanying Official Response. 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

February 3, 2014

(This page intentionally left blank.)

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.

MICHIGAN CITY AREA SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and June 30, 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	$ 2,208,745	$ 53,147,665	$ 61,459,718	$ 4,655,897	$ (1,447,411)	$ 43,461,732	$ 46,835,042	$ 70,746	$ (4,749,975)
Debt Service	1,857,548	29,570,209	25,836,983	989,368	6,580,142	26,907,671	20,439,185	(51,848)	12,996,780
Retirement/Severance Bond Debt Service	(225,986)	1,576,024	1,675,169	-	(325,131)	2,016,307	1,138,872	-	552,304
Capital Projects	463,929	14,118,144	13,311,328	530,417	1,801,162	6,185,206	9,790,595	-	(1,804,227)
School Transportation	590,250	6,320,986	5,149,559	392,933	2,154,610	4,821,196	4,348,668	-	2,627,138
School Bus Replacement	514,248	490,246	308,568	19,330	715,256	759,487	357,215	-	1,117,528
Rainy Day	-	-	-	-	-	-	-	-	-
Construction	78,676	-	45,645	-	33,031	-	5,000	-	28,031
Construction 2011-1	-	-	-	1,487,204	1,487,204	-	639,211	-	847,993
Construction 2012-1	-	-	-	-	-	-	76,323	1,995,000	1,918,677
Construction 2012-2	-	-	-	-	-	-	113,436	1,995,000	1,881,564
School Lunch	902,424	3,637,100	3,485,347	-	1,054,177	3,184,648	3,448,651	-	790,174
Textbook Rental	558,512	714,034	804,924	-	467,622	692,420	870,538	-	289,504
Educational License Plates	2,566	1,594	1,279	-	2,881	1,744	2,735	-	1,890
Alternative Education 2012-2013	-	1,535	-	-	1,535	-	1,535	-	-
Alternative Education 2013	-	-	-	-	-	10,068	-	-	10,068
Early Intervention 2011-2012	-	34,134	34,134	-	-	-	-	-	-
Early Intervention 2012-2013	-	-	-	-	-	18,900	18,901	-	(1)
Early Intervention 2010-2011	11,199	-	11,199	-	-	-	-	-	-
Hours for Ours 2008-2009	14,837	1,300	9,859	-	6,278	1,000	7,164	-	114
Impact Pro/Donations	4,912	9,560	11,837	-	2,635	2,497	3,366	-	1,766
Early Learning	853,704	-	469,509	-	384,195	-	297,349	-	86,846
United Way 2009-2010	456	-	455	-	1	-	-	-	1
United Way 2010-2011	11,382	13,021	24,253	-	150	-	150	-	-
United Way 2011-2012	-	16,564	5,144	-	11,420	25,468	36,666	-	222
United Way 2012-2013	-	-	-	-	-	13,262	7,618	-	5,644
Wellness Grant 2009-2010	482	-	482	-	-	-	-	-	-
Laura Bush Grant 2011-2012	15,000	-	15,000	-	-	-	-	-	-
Champion Program	5,409	3,783	44	-	9,148	350	705	-	8,793
Laura Bush Grant 2012-2013	-	4,000	-	-	4,000	-	4,000	-	-
Misc/Fundraiser/Superintendent	-	5,000	4,505	-	495	21,608	15,240	-	6,863
Wellness Grant 2013-2014	-	-	-	-	-	3,950	1,276	-	2,674
After School 2008-2009	61,391	106,154	96,054	-	71,491	77,198	102,089	-	46,600
Safe Harbor 2008-2009	14,257	-	14,257	-	-	-	-	-	-
SH/FIRST/JCP	-	6,500	1,037	-	5,463	-	5,463	-	-
MC Enrichment 2012-2013	-	22,000	6,718	-	15,282	-	15,281	-	1
MC Enrichment 2013-2014	-	-	-	-	-	28,000	21,503	-	6,497
MC Enrichment 2010-2011	20,054	-	20,054	-	-	-	-	-	-
Unity 2009-2010	335	-	335	-	-	-	-	-	-
Unity 2010-2011	500	-	500	-	-	-	-	-	-
Unity 2011-2012	-	4,800	4,801	-	(1)	-	-	-	(1)
Chamber/Unity	-	6,888	3,616	-	3,272	-	3,272	-	-
Gifted and Talented 2010-2011	42,506	-	42,507	-	(1)	-	-	-	(1)
Gifted and Talented 2011-2012	-	50,026	23,652	-	26,374	-	26,376	-	(2)
Gifted and Talented 2012-2013	-	-	-	-	-	46,720	23,099	-	23,621
Career Pathway	-	12,000	7,363	-	4,637	-	4,636	-	1
Medicaid Reimbursement State - 2009	8,918	35,493	-	(16,826)	27,585	33,256	-	(59,127)	1,714
Indiana First	-	-	-	-	-	6,800	6,800	-	-
Tobacco Grant	-	6,993	6,597	-	396	5,978	6,375	-	(1)
LLC - Drug Free 2012- 2013	-	1,500	276	-	1,224	800	2,024	-	-
LLC - Drug Free 2013 -2014	-	-	-	-	-	4,588	1,688	-	2,900
Title I School Improvement 2010-2011	-	203	202	-	1	-	-	-	1
Title I School Improvement 2012-2013	-	-	-	-	-	85,118	129,577	-	(44,459)

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

MICHIGAN CITY AREA SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and June 30, 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
Title I 2010-2011	(103,059)	579,720	476,664	-	(3)	-	-	-	(3)
Title I 2011-2012	-	1,528,411	1,763,212	(82,199)	(317,000)	701,032	384,033	-	(1)
Title I 2012-2013	-	-	-	-	-	1,881,705	2,119,565	-	(237,860)
McKinney Vento 2011-2012	-	35,154	39,735	-	(4,581)	38,897	34,318	-	(2)
McKinney Vento 2012-2013	-	-	-	-	-	34,562	63,813	-	(29,251)
Special Education Tech Grant	-	4,417	4,417	-	-	-	-	-	-
Special Education 2010-2011	(18,980)	237,006	218,026	-	-	-	-	-	-
Special Education 2011-2013	-	1,306,159	1,502,535	-	(196,376)	436,215	240,273	-	(434)
Special Education 2012-2014	-	-	-	-	-	1,405,551	1,527,391	-	(121,840)
Special Education School Improvement	-	-	-	-	-	48,756	48,755	-	1
Special Education Preschool 2010-2011	(4,410)	4,410	-	-	-	-	-	-	-
Special Education Preschool 2011-2012	-	61,591	64,202	-	(2,611)	2,611	-	-	-
Special Education Preschool 2012-2013	-	-	-	-	-	59,852	65,077	-	(5,225)
Adult Basic Education 2010-2011	(30,991)	30,991	-	-	-	-	-	-	-
Adult Basic Education 2011-2012	-	168,057	248,262	-	(80,205)	84,582	4,376	-	1
Adult Basic Education 2012-2013	-	-	-	-	-	164,263	186,904	-	(22,641)
Adult Basic Education 2012	-	-	-	-	-	27,360	27,361	-	(1)
Drug Free Title IV 2009-2011	(1,693)	22,257	20,564	-	-	-	-	-	-
Carl Perkins 2010-2011	(8,340)	144,979	136,639	-	-	-	-	-	-
Carl Perkins 2011-2012	-	79,456	104,320	-	(24,864)	187,145	162,280	-	1
Carl Perkins 2012-2013	-	-	-	-	-	58,999	84,628	-	(25,629)
Donnelly Grant 2010-2012	-	23,399	23,400	-	(1)	-	-	-	(1)
Donnelly Grant 2011-2013	-	125,319	125,318	-	1	61,406	63,846	-	(2,439)
Tech Prep 2010-2011	(512)	11,954	11,442	-	-	-	-	-	-
Tech Prep 2011	-	39,989	39,989	-	-	-	-	-	-
Tech Prep Carryover	-	-	-	-	-	8,090	8,090	-	-
Medicaid Reimbursement 2009-2010	73,027	65,751	11,036	-	127,742	62,039	48,750	-	141,031
Adult Education (voucher)	16,575	31,040	21,287	-	26,328	13,817	32,346	-	7,799
Library of Congress	-	-	-	-	-	15,742	15,742	-	-
Afternoon Rocks 2008-2010	8,941	-	-	-	8,941	-	8,228	-	713
21st Century Cohort IV 2012 - 2013	-	-	-	-	-	286,062	286,062	-	-
21st Century Cohort VI 2013-2014	-	-	-	-	-	-	8,211	-	(8,211)
DNR/Natural Resources 2010-2011	-	28,273	47,303	-	(19,030)	30,694	32,697	-	(21,033)
21st Century Cohort V 2010-2011	(11,662)	11,662	-	-	-	-	-	-	-
21st Century Cohort V 2011-2012	-	411,905	430,805	(2,944)	(21,844)	21,845	-	-	1
21st Century Cohort V 2012-2013	-	-	-	-	-	379,268	379,268	-	-
21st Century Cohort V 2013-2014	-	-	-	-	-	-	33,480	-	(33,480)
21st Century Cohort IV 2010-2011	(9,178)	11,086	1,908	-	-	-	-	-	-
21st Century Cohort IV 2011-2012	-	332,065	347,788	(17,170)	(32,893)	32,892	-	-	(1)
Title II Part A 2012-2014	-	-	-	-	-	101,360	130,819	-	(29,459)
Title II Part A 2009-2011	(7,904)	97,008	89,105	-	(1)	-	-	-	(1)
Title II Part A 2010-2012	(1,717)	348,503	356,671	-	(9,885)	12,285	2,402	-	(2)
Title II Part A 2011-2013	-	107,162	168,526	-	(61,364)	286,394	226,460	-	(1,430)
Math & Science Yr 3 2010-2011	29,017	202,633	251,251	-	(19,601)	30,225	10,624	-	-
Math & Science Yr 1 2011-2013	-	124,084	143,587	-	(19,503)	181,389	174,979	-	(13,093)
Title I - Stimulus	(197)	118,410	118,959	-	(746)	745	-	-	(1)
Special Education - Preschool Stimulus	-	126,826	126,825	-	1	-	-	-	1
Clearing Account - Payroll Withholding	-	13,131,422	13,131,422	-	-	11,320,351	11,320,351	-	-
Education Jobs	(15,270)	1,187,607	1,172,337	-	-	28,344	28,344	-	-
Totals	$ 7,929,901	$ 130,656,162	$ 134,090,445	$ 7,956,010	$ 12,451,628	$ 106,420,450	$ 106,567,097	$ 3,949,771	$ 16,254,752

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.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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 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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This includes a deficit at June 30, 2013, in the General Fund of $4,749,975 and in the Capital Projects Fund of $1,804,227. Other deficit balances are in various reimbursable grant funds for which the reimbursement of expenditures was not received by June 30, 2013.

Note 8. Holding Corporations

The School Corporation has entered into three capital lease with two lessors: Michigan City Area-Wide School Building Corporation (Elston, Barker, and Krueger Middle Schools Lease); and Michigan City School Building Corporation (New Pine, Lake Hills, and Marsh Elementary Schools Lease and Joy Elementary School Lease). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ended June 30, 2012, and June 30, 2013, totaled $8,785,360 and $7,511,119, respectively.

Note 9. Subsequent Events

For the past seven property tax years, LaPorte County (County) has been unable to establish approved assessment amounts for county-wide properties. This has caused the County to bill property tax owners based on "provisional" tax bills since the 2006 payable 2007 property tax billing year. In July 2013, the County completed an approved assessment of property values for the 2011 payable 2012 property tax year. Reconciling tax bills for that year were billed and were settled by the County to local units of government in 2013. Once complete, tax bills for 2012 payable 2013 will be sent to taxpayers in February 2014 with settlement to local units of government later in 2014. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the County. It is undetermined how much property tax collections the School Corporation will receive once all the reconciliation bills have been distributed and the collections received.

(This page intentionally left blank.)

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.

MICHIGAN CITY AREA SCHOOLS
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/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construction 2011-1	Construction 2012-1
Cash and investments - beginning	$ 2,208,745	$ 1,857,548	$ (225,986)	$ 463,929	$ 590,250	$ 514,248	$ -	$ 78,676	$ -	$ -
Receipts:										
Local sources	3,879,567	16,653,046	1,446,803	5,944,912	5,644,677	490,246	-	-	-	-
Intermediate sources	212,915	-	-	-	-	-	-	-	-	-
State sources	42,127,317	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	6,512,796	12,917,163	129,221	8,173,232	667,442	-	-	-	-	-
Other	415,070	-	-	-	8,867	-	-	-	-	-
Total receipts	53,147,665	29,570,209	1,576,024	14,118,144	6,320,986	490,246	-	-	-	-
Disbursements:										
Current:										
Instruction	32,213,322	-	-	-	-	-	-	-	-	-
Support services	16,914,686	-	-	3,533,946	4,082,117	308,568	-	-	-	-
Noninstructional services	641,916	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,141,980	-	-	-	45,645	-	-
Debt services	11,689,794	25,836,983	1,675,169	7,635,402	1,067,442	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	61,459,718	25,836,983	1,675,169	13,311,328	5,149,559	308,568	-	45,645	-	-
Excess (deficiency) of receipts over disbursements	(8,312,053)	3,733,226	(99,145)	806,816	1,171,427	181,678	-	(45,645)	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	8,000,000	-
Transfers in	6,529,622	4,633,358	-	530,417	392,933	309,330	3,890,000	-	-	-
Transfers out	(1,873,725)	(3,643,990)	-	-	-	(290,000)	(3,890,000)	-	(6,512,796)	-
Total other financing sources (uses)	4,655,897	989,368	-	530,417	392,933	19,330	-	-	1,487,204	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,656,156)	4,722,594	(99,145)	1,337,233	1,564,360	201,008	-	(45,645)	1,487,204	-
Cash and investments - ending	$ (1,447,411)	$ 6,580,142	$ (325,131)	$ 1,801,162	$ 2,154,610	$ 715,256	$ -	$ 33,031	$ 1,487,204	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Construction 2012-2	School Lunch	Textbook Rental	Educational License Plates	Alternative Education 2012-2013	Alternative Education 2013	Early Intervention 2011-2012	Early Intervention 2012-2013	Early Intervention 2010-2011	Hours for Ours 2008-2009
Cash and investments - beginning	$ -	$ 902,424	$ 558,512	$ 2,566	$ -	$ -	$ -	$ -	$ 11,199	$ 14,837
Receipts:										
Local sources	-	767,976	684,482	-	-	-	-	-	-	1,300
Intermediate sources	-	-	-	1,594	-	-	-	-	-	-
State sources	-	16,470	-	-	1,535	-	34,134	-	-	-
Federal sources	-	2,833,333	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	19,321	29,552	-	-	-	-	-	-	-
Total receipts	-	3,637,100	714,034	1,594	1,535	-	34,134	-	-	1,300
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	34,134	-	11,199	-
Support services	-	29,237	804,924	-	-	-	-	-	-	-
Noninstructional services	-	3,445,810	-	1,279	-	-	-	-	-	9,859
Facilities acquisition and construction	-	10,300	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,485,347	804,924	1,279	-	-	34,134	-	11,199	9,859
Excess (deficiency) of receipts over disbursements	-	151,753	(90,890)	315	1,535	-	-	-	(11,199)	(8,559)
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	-	151,753	(90,890)	315	1,535	-	-	-	(11,199)	(8,559)
Cash and investments - ending	$ -	$ 1,054,177	$ 467,622	$ 2,881	$ 1,535	$ -	$ -	$ -	$ -	$ 6,278

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Impact Pro/ Donations	Early Learning	United Way 2009-2010	United Way 2010-2011	United Way 2011-2012	United Way 2012-2013	Wellness Grant 2009-2010	Laura Bush Grant 2011-2012	Champion Program	Laura Bush Grant 2012-2013
Cash and investments - beginning	$ 4,912	$ 853,704	$ 456	$ 11,382	$ -	$ -	$ 482	$ 15,000	$ 5,409	$ -
Receipts:										
Local sources	9,560	-	-	13,021	16,564	-	-	-	3,783	4,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	9,560	-	-	13,021	16,564	-	-	-	3,783	4,000
Disbursements:										
Current:										
Instruction	883	469,509	-	-	4,181	-	-	-	-	-
Support services	1,704	-	-	-	-	-	482	15,000	-	-
Noninstructional services	1,700	-	455	24,253	963	-	-	-	44	-
Facilities acquisition and construction	7,550	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,837	469,509	455	24,253	5,144	-	482	15,000	44	-
Excess (deficiency) of receipts over disbursements	(2,277)	(469,509)	(455)	(11,232)	11,420	-	(482)	(15,000)	3,739	4,000
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	(2,277)	(469,509)	(455)	(11,232)	11,420	-	(482)	(15,000)	3,739	4,000
Cash and investments - ending	$ 2,635	$ 384,195	$ 1	$ 150	$ 11,420	$ -	$ -	$ -	$ 9,148	$ 4,000

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Misc/ Fundraiser/ Superintendent	Wellness Grant 2013-2014	After School 2008-2009	Safe Harbor 2008-2009	SH/FIRST/JCP	MC Enrichment 2012-2013	MC Enrichment 2013-2014	MC Enrichment 2010-2011	Unity 2009-2010	Unity 2010-2011
Cash and investments - beginning	$ -	$ -	$ 61,391	$ 14,257	$ -	$ -	$ -	$ 20,054	$ 335	$ 500
Receipts:										
Local sources	5,000	-	106,154	-	6,500	22,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	5,000	-	106,154	-	6,500	22,000	-	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	4,505	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	96,054	14,257	1,037	6,718	-	20,054	335	500
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,505	-	96,054	14,257	1,037	6,718	-	20,054	335	500
Excess (deficiency) of receipts over disbursements	495	-	10,100	(14,257)	5,463	15,282	-	(20,054)	(335)	(500)
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	495	-	10,100	(14,257)	5,463	15,282	-	(20,054)	(335)	(500)
Cash and investments - ending	$ 495	$ -	$ 71,491	$ -	$ 5,463	$ 15,282	$ -	$ -	$ -	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Unity 2011-2012	Chamber/ Unity	Gifted and Talented 2010-2011	Gifted and Talented 2011-2012	Gifted and Talented 2012-2013	Career Pathway	Medicaid Reimbursement State - 2009	Indiana First	Tobacco Grant
Cash and investments - beginning	$ -	$ -	$ 42,506	$ -	$ -	$ -	$ 8,918	$ -	$ -
Receipts:									
Local sources	4,800	6,888	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	50,026	-	12,000	35,493	-	6,993
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	4,800	6,888	-	50,026	-	12,000	35,493	-	6,993
Disbursements:									
Current:									
Instruction	-	1,386	42,471	23,652	-	7,095	-	-	-
Support services	-	2,230	36	-	-	268	-	-	-
Noninstructional services	4,801	-	-	-	-	-	-	-	6,597
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,801	3,616	42,507	23,652	-	7,363	-	-	6,597
Excess (deficiency) of receipts over disbursements	(1)	3,272	(42,507)	26,374	-	4,637	35,493	-	396
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(16,826)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(16,826)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	3,272	(42,507)	26,374	-	4,637	18,667	-	396
Cash and investments - ending	$ (1)	$ 3,272	$ (1)	$ 26,374	$ -	$ 4,637	$ 27,585	$ -	$ 396

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	LLC - Drug Free 2012-2013	LLC - Drug Free 2013-2014	Title I School Improvement 2010-2011	Title I School Improvement 2012-2013	Title I 2010-2011	Title I 2011-2012	Title I 2012-2013	McKinney Vento 2011-2012	McKinney Vento 2012-2013
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ (103,059)	$ -	$ -	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	1,500	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	203	-	579,720	1,528,411	-	35,154	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,500	-	203	-	579,720	1,528,411	-	35,154	-
Disbursements:									
Current:									
Instruction	-	-	202	-	244,792	1,106,599	-	-	-
Support services	-	-	-	-	222,704	646,959	-	-	-
Noninstructional services	276	-	-	-	9,168	9,654	-	39,735	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	276	-	202	-	476,664	1,763,212	-	39,735	-
Excess (deficiency) of receipts over disbursements	1,224	-	1	-	103,056	(234,801)	-	(4,581)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(82,199)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(82,199)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,224	-	1	-	103,056	(317,000)	-	(4,581)	-
Cash and investments - ending	$ 1,224	$ -	$ 1	$ -	$ (3)	$ (317,000)	$ -	$ (4,581)	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Special Education Tech Grant	Special Education 2010-2011	Special Education 2011-2013	Special Education 2012-2014	Special Education School Improvement	Special Education Preschool 2010-2011	Special Education Preschool 2011-2012	Special Education Preschool 2012-2013	Adult Basic Education 2010-2011
Cash and investments - beginning	$ -	$ (18,980)	$ -	$ -	$ -	$ (4,410)	$ -	$ -	$ (30,991)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	4,417	237,006	1,306,159	-	-	4,410	61,591	-	30,991
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	4,417	237,006	1,306,159	-	-	4,410	61,591	-	30,991
Disbursements:									
Current:									
Instruction	4,417	218,026	1,502,535	-	-	-	64,202	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,417	218,026	1,502,535	-	-	-	64,202	-	-
Excess (deficiency) of receipts over disbursements	-	18,980	(196,376)	-	-	4,410	(2,611)	-	30,991
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	-	18,980	(196,376)	-	-	4,410	(2,611)	-	30,991
Cash and investments - ending	$ -	$ -	$ (196,376)	$ -	$ -	$ -	$ (2,611)	$ -	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Adult Basic Education 2011-2012	Adult Basic Education 2012-2013	Adult Basic Education 2012	Drug Free Title IV 2009-2011	Carl Perkins 2010-2011	Carl Perkins 2011-2012	Carl Perkins 2012-2013	Donnelly Grant 2010-2012	Donnelly Grant 2011-2013
Cash and investments - beginning	$ -	$ -	$ -	$ (1,693)	$ (8,340)	$ -	$ -	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	168,057	-	-	22,257	144,979	79,456	-	23,399	125,319
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	168,057	-	-	22,257	144,979	79,456	-	23,399	125,319
Disbursements:									
Current:									
Instruction	227,271	-	-	-	136,639	104,320	-	-	-
Support services	20,991	-	-	19,632	-	-	-	23,400	125,318
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	932	-	-	-	-	-
Total disbursements	248,262	-	-	20,564	136,639	104,320	-	23,400	125,318
Excess (deficiency) of receipts over disbursements	(80,205)	-	-	1,693	8,340	(24,864)	-	(1)	1
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	(80,205)	-	-	1,693	8,340	(24,864)	-	(1)	1
Cash and investments - ending	$ (80,205)	$ -	$ -	$ -	$ -	$ (24,864)	$ -	$ (1)	$ 1

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Tech Prep 2010-2011	Tech Prep 2011	Tech Prep Carryover	Medicaid Reimbursement 2009-2010	Adult Education (voucher)	Library of Congress	Afternoon Rocks 2008-2010	21st Century Cohort IV 2012-2013	21st Century Cohort IV 2013-2014
Cash and investments - beginning	$ (512)	$ -	$ -	$ 73,027	$ 16,575	$ -	$ 8,941	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	11,954	39,989	-	65,751	31,040	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	11,954	39,989	-	65,751	31,040	-	-	-	-
Disbursements:									
Current:									
Instruction	11,442	39,989	-	1,479	19,161	-	-	-	-
Support services	-	-	-	9,557	2,126	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,442	39,989	-	11,036	21,287	-	-	-	-
Excess (deficiency) of receipts over disbursements	512	-	-	54,715	9,753	-	-	-	-
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	512	-	-	54,715	9,753	-	-	-	-
Cash and investments - ending	$ -	$ -	$ -	$ 127,742	$ 26,328	$ -	$ 8,941	$ -	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	DNR/Natural Resources 2010-2011	21st Century Cohort V 2010-2011	21st Century Cohort V 2011-2012	21st Century Cohort V 2012-2013	21st Century Cohort V 2013-2014	21st Century Cohort IV 2010-2011	21st Century Cohort IV 2011-2012	Title II Part A 2012-2014	Title II Part A 2009-2011
Cash and investments - beginning	$ -	$ (11,662)	$ -	$ -	$ -	$ (9,178)	$ -	$ -	$ (7,904)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	28,273	-	-	-	-	-	-	-	-
Federal sources	-	11,662	411,905	-	-	11,086	332,065	-	97,008
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	28,273	11,662	411,905	-	-	11,086	332,065	-	97,008
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	47,303	-	-	-	-	-	8,060	-	78,573
Noninstructional services	-	-	421,991	-	-	1,869	332,789	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	8,814	-	-	39	6,939	-	10,532
Total disbursements	47,303	-	430,805	-	-	1,908	347,788	-	89,105
Excess (deficiency) of receipts over disbursements	(19,030)	11,662	(18,900)	-	-	9,178	(15,723)	-	7,903
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(2,944)	-	-	-	(17,170)	-	-
Total other financing sources (uses)	-	-	(2,944)	-	-	-	(17,170)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,030)	11,662	(21,844)	-	-	9,178	(32,893)	-	7,903
Cash and investments - ending	$ (19,030)	$ -	$ (21,844)	$ -	$ -	$ -	$ (32,893)	$ -	$ (1)

MICHIGAN CITY AREA SCHOOLS
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 II Part A 2010-2012	Title II Part A 2011-2013	Math & Science Yr 3 2010-2011	Math & Science Yr 1 2011-2013	Title I - Stimulus	Special Education - Preschool Stimulus	Clearing Account Payroll Withholding	Education Jobs	Totals
Cash and investments - beginning	$ (1,717)	$ -	$ 29,017	$ -	$ (197)	$ -	$ -	$ (15,270)	$ 7,929,901
Receipts:									
Local sources	-	-	-	-	-	-	-	-	35,711,279
Intermediate sources	-	-	-	-	-	-	-	-	216,009
State sources	-	-	-	-	-	-	-	-	42,312,241
Federal sources	348,503	107,162	202,633	124,084	118,410	126,826	-	1,187,607	10,412,547
Temporary loans	-	-	-	-	-	-	-	-	28,399,854
Other	-	-	-	-	-	-	13,131,422	-	13,604,232
Total receipts	348,503	107,162	202,633	124,084	118,410	126,826	13,131,422	1,187,607	130,656,162
Disbursements:									
Current:									
Instruction	231,216	132,441	-	-	114,780	126,825	-	1,031,329	38,125,497
Support services	125,455	36,085	251,251	143,587	2,000	-	-	141,008	27,601,712
Noninstructional services	-	-	-	-	2,179	-	-	-	5,094,293
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,205,475
Debt services	-	-	-	-	-	-	-	-	47,904,790
Nonprogrammed charges	-	-	-	-	-	-	13,131,422	-	13,158,678
Total disbursements	356,671	168,526	251,251	143,587	118,959	126,825	13,131,422	1,172,337	134,090,445
Excess (deficiency) of receipts over disbursements	(8,168)	(61,364)	(48,618)	(19,503)	(549)	1	-	15,270	(3,434,283)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	8,000,000
Transfers in	-	-	-	-	-	-	-	-	16,285,660
Transfers out	-	-	-	-	-	-	-	-	(16,329,650)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	7,956,010
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,168)	(61,364)	(48,618)	(19,503)	(549)	1	-	15,270	4,521,727
Cash and investments - ending	$ (9,885)	$ (61,364)	$ (19,601)	$ (19,503)	$ (746)	$ 1	$ -	$ -	$ 12,451,628

MICHIGAN CITY AREA SCHOOLS
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/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construction 2011-1	Construction 2012-1
Cash and investments - beginning	$ (1,447,411)	$ 6,580,142	$ (325,131)	$ 1,801,162	$ 2,154,610	$ 715,256	$ -	$ 33,031	$ 1,487,204	$ -
Receipts:										
Local sources	593,088	20,671,508	1,277,086	4,750,590	3,314,917	759,487	-	-	-	-
Intermediate sources	180,735	-	-	-	-	-	-	-	-	-
State sources	42,151,544	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	6,236,163	739,221	1,434,616	1,500,000	-	-	-	-	-
Other	536,365	-	-	-	6,279	-	-	-	-	-
Total receipts	43,461,732	26,907,671	2,016,307	6,185,206	4,821,196	759,487	-	-	-	-
Disbursements:										
Current:										
Instruction	31,293,031	-	-	-	-	-	-	-	-	-
Support services	15,001,678	-	-	3,169,468	4,081,226	357,215	-	-	-	-
Noninstructional services	540,333	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	886,895	-	-	-	5,000	639,211	76,323
Debt services	-	20,439,185	1,138,872	5,734,232	267,442	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	46,835,042	20,439,185	1,138,872	9,790,595	4,348,668	357,215	-	5,000	639,211	76,323
Excess (deficiency) of receipts over disbursements	(3,373,310)	6,468,486	877,435	(3,605,389)	472,528	402,272	-	(5,000)	(639,211)	(76,323)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	1,995,000
Sale of capital assets	11,619	-	-	-	-	-	-	-	-	-
Transfers in	59,127	-	-	-	-	-	-	-	-	-
Transfers out	-	(51,848)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	70,746	(51,848)	-	-	-	-	-	-	-	1,995,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,302,564)	6,416,638	877,435	(3,605,389)	472,528	402,272	-	(5,000)	(639,211)	1,918,677
Cash and investments - ending	$ (4,749,975)	$ 12,996,780	$ 552,304	$ (1,804,227)	$ 2,627,138	$ 1,117,528	$ -	$ 28,031	$ 847,993	$ 1,918,677

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Construction 2012-2	School Lunch	Textbook Rental	Educational License Plates	Alternative Education 2012-2013	Alternative Education 2013	Early Intervention 2011-2012	Early Intervention 2012-2013	Early Intervention 2010-2011	Hours for Ours 2008-2009
Cash and investments - beginning	$ -	$ 1,054,177	$ 467,622	$ 2,881	$ 1,535	$ -	$ -	$ -	$ -	$ 6,278
Receipts:										
Local sources	-	688,799	667,594	-	-	-	-	-	-	1,000
Intermediate sources	-	-	-	1,744	-	-	-	-	-	-
State sources	-	15,549	-	-	-	10,068	-	18,900	-	-
Federal sources	-	2,468,745	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	11,555	24,826	-	-	-	-	-	-	-
Total receipts	-	3,184,648	692,420	1,744	-	10,068	-	18,900	-	1,000
Disbursements:										
Current:										
Instruction	-	-	-	-	1,535	-	-	-	-	-
Support services	-	43,954	870,538	-	-	-	-	18,901	-	-
Noninstructional services	-	3,293,257	-	2,735	-	-	-	-	-	7,164
Facilities acquisition and construction	113,436	111,440	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	113,436	3,448,651	870,538	2,735	1,535	-	-	18,901	-	7,164
Excess (deficiency) of receipts over disbursements	(113,436)	(264,003)	(178,118)	(991)	(1,535)	10,068	-	(1)	-	(6,164)
Other financing sources (uses):										
Proceeds of long-term debt	1,995,000	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,995,000	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,881,564	(264,003)	(178,118)	(991)	(1,535)	10,068	-	(1)	-	(6,164)
Cash and investments - ending	$ 1,881,564	$ 790,174	$ 289,504	$ 1,890	$ -	$ 10,068	$ -	$ (1)	$ -	$ 114

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Impact Pro/ Donations	Early Learning	United Way 2009-2010	United Way 2010-2011	United Way 2011-2012	United Way 2012-2013	Wellness Grant 2009-2010	Laura Bush Grant 2011-2012	Champion Program	Laura Bush Grant 2012-2013
Cash and investments - beginning	$ 2,635	$ 384,195	$ 1	$ 150	$ 11,420	$ -	$ -	$ -	$ 9,148	$ 4,000
Receipts:										
Local sources	2,497	-	-	-	25,468	13,262	-	-	350	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	2,497	-	-	-	25,468	13,262	-	-	350	-
Disbursements:										
Current:										
Instruction	1,577	297,349	-	-	13,602	7,231	-	-	-	-
Support services	742	-	-	-	-	-	-	-	-	4,000
Noninstructional services	1,047	-	-	150	23,064	387	-	-	705	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,366	297,349	-	150	36,666	7,618	-	-	705	4,000
Excess (deficiency) of receipts over disbursements	(869)	(297,349)	-	(150)	(11,198)	5,644	-	-	(355)	(4,000)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(869)	(297,349)	-	(150)	(11,198)	5,644	-	-	(355)	(4,000)
Cash and investments - ending	$ 1,766	$ 86,846	$ 1	$ -	$ 222	$ 5,644	$ -	$ -	$ 8,793	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Misc/ Fundraiser/ Superintendent	Wellness Grant 2013-2014	After School 2008-2009	Safe Harbor 2008-2009	SH/FIRST/JCP	MC Enrichment 2012-2013	MC Enrichment 2013-2014	MC Enrichment 2010-2011	Unity 2009-2010	Unity 2010-2011
Cash and investments - beginning	$ 495	$ -	$ 71,491	$ -	$ 5,463	$ 15,282	$ -	$ -	$ -	$ -
Receipts:										
Local sources	21,608	-	77,198	-	-	-	28,000	-	-	-
Intermediate sources	-	3,950	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	21,608	3,950	77,198	-	-	-	28,000	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	5,000	-	-	-
Support services	8,778	1,276	-	-	-	-	-	-	-	-
Noninstructional services	6,462	-	102,089	-	5,463	15,281	16,503	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,240	1,276	102,089	-	5,463	15,281	21,503	-	-	-
Excess (deficiency) of receipts over disbursements	6,368	2,674	(24,891)	-	(5,463)	(15,281)	6,497	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,368	2,674	(24,891)	-	(5,463)	(15,281)	6,497	-	-	-
Cash and investments - ending	$ 6,863	$ 2,674	$ 46,600	$ -	$ -	$ 1	$ 6,497	$ -	$ -	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Unity 2011-2012	Chamber/ Unity	Gifted and Talented 2010-2011	Gifted and Talented 2011-2012	Gifted and Talented 2012-2013	Career Pathway	Medicaid Reimbursement State - 2009	Indiana First	Tobacco Grant
Cash and investments - beginning	$ (1)	$ 3,272	$ (1)	$ 26,374	$ -	$ 4,637	$ 27,585	$ -	$ 396
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	6,800	-
State sources	-	-	-	-	46,720	-	33,256	-	5,978
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	46,720	-	33,256	6,800	5,978
Disbursements:									
Current:									
Instruction	-	2,934	-	26,376	23,099	4,636	-	-	-
Support services	-	338	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	6,800	6,375
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,272	-	26,376	23,099	4,636	-	6,800	6,375
Excess (deficiency) of receipts over disbursements	-	(3,272)	-	(26,376)	23,621	(4,636)	33,256	-	(397)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(59,127)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(59,127)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,272)	-	(26,376)	23,621	(4,636)	(25,871)	-	(397)
Cash and investments - ending	$ (1)	$ -	$ (1)	$ (2)	$ 23,621	$ 1	$ 1,714	$ -	$ (1)

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	LLC - Drug Free 2012-2013	LLC - Drug Free 2013-2014	Title I School Improvement 2010-2011	Title I School Improvement 2012-2013	Title I 2010-2011	Title I 2011-2012	Title I 2012-2013	McKinney Vento 2011-2012	McKinney Vento 2012-2013
Cash and investments - beginning	$ 1,224	$ -	$ 1	$ -	$ (3)	$ (317,000)	$ -	$ (4,581)	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	800	4,588	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	85,118	-	701,032	1,881,705	38,897	34,562
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	800	4,588	-	85,118	-	701,032	1,881,705	38,897	34,562
Disbursements:									
Current:									
Instruction	-	-	-	28,740	-	198,209	1,223,353	-	-
Support services	-	-	-	100,837	-	112,291	881,766	-	-
Noninstructional services	2,024	1,688	-	-	-	13,957	14,446	34,318	63,813
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	59,576	-	-	-
Total disbursements	2,024	1,688	-	129,577	-	384,033	2,119,565	34,318	63,813
Excess (deficiency) of receipts over disbursements	(1,224)	2,900	-	(44,459)	-	316,999	(237,860)	4,579	(29,251)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,224)	2,900	-	(44,459)	-	316,999	(237,860)	4,579	(29,251)
Cash and investments - ending	$ -	$ 2,900	$ 1	$ (44,459)	$ (3)	$ (1)	$ (237,860)	$ (2)	$ (29,251)

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Special Education Tech Grant	Special Education 2010-2011	Special Education 2011-2013	Special Education 2012-2014	Special Education School Improvement	Special Education Preschool 2010-2011	Special Education Preschool 2011-2012	Special Education Preschool 2012-2013	Adult Basic Education 2010-2011
Cash and investments - beginning	$ -	$ -	$ (196,376)	$ -	$ -	$ -	$ (2,611)	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	436,215	1,405,551	48,756	-	2,611	59,852	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	436,215	1,405,551	48,756	-	2,611	59,852	-
Disbursements:									
Current:									
Instruction	-	-	240,273	1,527,391	48,755	-	-	65,077	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	240,273	1,527,391	48,755	-	-	65,077	-
Excess (deficiency) of receipts over disbursements	-	-	195,942	(121,840)	1	-	2,611	(5,225)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	195,942	(121,840)	1	-	2,611	(5,225)	-
Cash and investments - ending	$ -	$ -	$ (434)	$ (121,840)	$ 1	$ -	$ -	$ (5,225)	$ -

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Adult Basic Education 2011-2012	Adult Basic Education 2012-2013	Adult Basic Education 2012	Drug Free Title IV 2009-2011	Carl Perkins 2010-2011	Carl Perkins 2011-2012	Carl Perkins 2012-2013	Donnelly Grant 2010-2012	Donnelly Grant 2011-2013
Cash and investments - beginning	$ (80,205)	$ -	$ -	$ -	$ -	$ (24,864)	$ -	$ (1)	$ 1
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	84,582	164,263	27,360	-	-	187,145	58,999	-	61,406
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	84,582	164,263	27,360	-	-	187,145	58,999	-	61,406
Disbursements:									
Current:									
Instruction	4,376	171,244	27,361	-	-	162,280	84,628	-	-
Support services	-	15,660	-	-	-	-	-	-	63,846
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,376	186,904	27,361	-	-	162,280	84,628	-	63,846
Excess (deficiency) of receipts over disbursements	80,206	(22,641)	(1)	-	-	24,865	(25,629)	-	(2,440)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	80,206	(22,641)	(1)	-	-	24,865	(25,629)	-	(2,440)
Cash and investments - ending	$ 1	$ (22,641)	$ (1)	$ -	$ -	$ 1	$ (25,629)	$ (1)	$ (2,439)

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Tech Prep 2010-2011	Tech Prep 2011	Tech Prep Carryover	Medicaid Reimbursement 2009-2010	Adult Education (voucher)	Library of Congress	Afternoon Rocks 2008-2010	21st Century Cohort IV 2012-2013	21st Century Cohort IV 2013-2014
Cash and investments - beginning	$ -	$ -	$ -	$ 127,742	$ 26,328	$ -	$ 8,941	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	8,090	62,039	13,817	15,742	-	286,062	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	8,090	62,039	13,817	15,742	-	286,062	-
Disbursements:									
Current:									
Instruction	-	-	8,090	29,599	29,610	-	-	-	-
Support services	-	-	-	19,151	2,736	15,742	-	7,247	-
Noninstructional services	-	-	-	-	-	-	8,228	272,568	8,211
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	6,247	-
Total disbursements	-	-	8,090	48,750	32,346	15,742	8,228	286,062	8,211
Excess (deficiency) of receipts over disbursements	-	-	-	13,289	(18,529)	-	(8,228)	-	(8,211)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	13,289	(18,529)	-	(8,228)	-	(8,211)
Cash and investments - ending	$ -	$ -	$ -	$ 141,031	$ 7,799	$ -	$ 713	$ -	$ (8,211)

MICHIGAN CITY AREA SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	DNR/Natural Resources 2010-2011	21st Century Cohort V 2010-2011	21st Century Cohort V 2011-2012	21st Century Cohort V 2012-2013	21st Century Cohort V 2013-2014	21st Century Cohort IV 2010-2011	21st Century Cohort IV 2011-2012	Title II Part A 2012-2014	Title II Part A 2009-2011
Cash and investments - beginning	$ (19,030)	$ -	$ (21,844)	$ -	$ -	$ -	$ (32,893)	$ -	$ (1)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	30,694	-	-	-	-	-	-	-	-
Federal sources	-	-	21,845	379,268	-	-	32,892	101,360	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	30,694	-	21,845	379,268	-	-	32,892	101,360	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	127,161	-
Support services	29,460	-	-	-	-	-	-	3,658	-
Noninstructional services	-	-	-	370,534	33,480	-	-	-	-
Facilities acquisition and construction	3,237	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	8,734	-	-	-	-	-
Total disbursements	32,697	-	-	379,268	33,480	-	-	130,819	-
Excess (deficiency) of receipts over disbursements	(2,003)	-	21,845	-	(33,480)	-	32,892	(29,459)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,003)	-	21,845	-	(33,480)	-	32,892	(29,459)	-
Cash and investments - ending	$ (21,033)	$ -	$ 1	$ -	$ (33,480)	$ -	$ (1)	$ (29,459)	$ (1)

MICHIGAN CITY AREA SCHOOLS
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 II Part A 2010-2012	Title II Part A 2011-2013	Math & Science Yr 3 2010-2011	Math & Science Yr 1 2011-2013	Title I - Stimulus	Special Education - Preschool Stimulus	Clearing Account Payroll Withholding	Education Jobs	Totals
Cash and investments - beginning	$ (9,885)	$ (61,364)	$ (19,601)	$ (19,503)	$ (746)	$ 1	$ -	$ -	$ 12,451,628
Receipts:									
Local sources	-	-	-	-	-	-	-	-	32,892,452
Intermediate sources	-	-	-	-	-	-	-	-	198,617
State sources	-	-	-	-	-	-	-	-	42,312,709
Federal sources	12,285	286,394	30,225	181,389	745	-	-	28,344	9,207,296
Temporary loans	-	-	-	-	-	-	-	-	9,910,000
Other	-	-	-	-	-	-	11,320,351	-	11,899,376
Total receipts	12,285	286,394	30,225	181,389	745	-	11,320,351	28,344	106,420,450
Disbursements:									
Current:									
Instruction	-	217,560	-	-	-	-	-	28,344	35,898,421
Support services	2,402	8,900	4,864	174,979	-	-	-	-	25,001,653
Noninstructional services	-	-	-	-	-	-	-	-	4,851,082
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,835,542
Debt services	-	-	-	-	-	-	-	-	27,579,731
Nonprogrammed charges	-	-	5,760	-	-	-	11,320,351	-	11,400,668
Total disbursements	2,402	226,460	10,624	174,979	-	-	11,320,351	28,344	106,567,097
Excess (deficiency) of receipts over disbursements	9,883	59,934	19,601	6,410	745	-	-	-	(146,647)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	3,990,000
Sale of capital assets	-	-	-	-	-	-	-	-	11,619
Transfers in	-	-	-	-	-	-	-	-	59,127
Transfers out	-	-	-	-	-	-	-	-	(110,975)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,949,771
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,883	59,934	19,601	6,410	745	-	-	-	3,803,124
Cash and investments - ending	$ (2)	$ (1,430)	$ -	$ (13,093)	$ (1)	$ 1	$ -	$ -	$ 16,254,752

MICHIGAN CITY AREA SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Michigan City Area-Wide School Building Corporation	Elston, Baker and Krueger Middle Schools	$ 5,785,000	07-15-03	01-15-22
Michigan City School Building Corporation	New Pine, Lake Hills and Marsh Elementary Schools	3,122,000	06-30-08	12-31-24
Michigan City School Building Corporation	Joy Elementary School	311,000	07-15-12	01-15-27
Total of annual lease payments		$ 9,218,000		

Description of Debt			
Type	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes payable:	For textbooks	$ 720,048	$ 379,058
General obligation bonds:			
School Improvement Bonds of 2013	High School and Elston Middle School Renovations	4,000,000	-
School Pension Bonds of 2005	School Teacher Pension Buyout	8,410,000	1,013,257
Tax anticipation warrants	Temporary Funding for: Debt Service Fund; Retirement/Severance Bond Debt Service Fund; Capital Projects Fund; School Transportation Fund	9,910,000	10,076,802
Totals		$ 23,040,048	$ 11,469,117

MICHIGAN CITY AREA SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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

	Ending Balance
Governmental activities:	
Land	$ 2,832,835
Buildings	127,838,403
Improvements other than buildings	5,888,800
Machinery, equipment, and vehicles	17,874,392
Total capital assets	$ 154,434,430

MICHIGAN CITY AREA SCHOOLS
OTHER REPORTS

The annual report presented herein was prepared in addition to the other official reports prepared for the following:

Michigan City Area Schools (Supplemental)
Knapp Elementary School Extra-Curricular Account

MICHIGAN CITY AREA SCHOOLS
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The financial statement presented in this report included the following funds with overdrawn cash balances at June 30, 2013:

Fund	Amount Overdrawn
General	$ 4,749,975
Capital Projects	1,804,227

There are other funds with material overdrawn cash balances at June 30, 2013. These other funds are reimbursable grant funds for which the School Corporation has expended cash and the reimbursements have not yet been received.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE MICHIGAN CITY AREA SCHOOLS, LAPORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Michigan City Area Schools' (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.

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

Other Matters

The School Corporation's response to our audit is described in the accompanying Official Response. 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.

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.

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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The School Corporation's response to our audit is described in the accompanying Official Response. 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

February 3, 2014

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

MICHIGAN CITY AREA SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	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					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2012	$ 727,574	$ -
			FY 2013	-	617,547
Total - School Breakfast Program				727,574	617,547
National School Lunch Program	Indiana Department of Education	10.555	FY 2012	2,224,571	-
			FY 2013	-	1,966,048
Total - National School Lunch Program				2,224,571	1,966,048
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2012	90,247	-
			FY 2013	-	97,166
Total - Summer Food Service Program for Children				90,247	97,166
Total - Child Nutrition Cluster				3,042,392	2,680,761
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2012	5,639	-
Total - Department of Agriculture				3,048,031	2,680,761
Department of Commerce					
Coastal Zone Management Administration Awards	Indiana Department of Natural Resources	11.419			
Science in the Sun			CZ006	20,483	21,998
Department of Labor					
WIA Cluster					
WIA Adult Program	The Center of Workforce Innovations	17.258			
Employment Training Administration				21,285	32,346
Library of Congress					
Program unidentified	Illinois State University	42.unknown			
Integrating 21st Century Learning with Primary Sources from the Library of Congress			08A031.78	-	15,742

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

MICHIGAN CITY AREA SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	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					
Fund for the Improvement of Education	Direct Grant	84.215			
Donnelly Grant 2010-12			Q215EO70027-10	23,399	-
Donnelly Grant 2010-13			U215K100144	125,319	61,406
Total - Fund for the Improvement of Education				148,718	61,406
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
11-4925			SY 10-11	579,720	-
12-4925			SY 11-12	1,528,411	701,032
13-4925			SY 12-13	-	1,881,705
School Improvement Marsh			SY 10-11	203	-
School Improvement Michigan City High School			SY 12-13	-	85,118
Total - Title I Grants to Local Educational Agencies				2,108,334	2,667,855
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389	SY 09-10	118,410	745
Total - Title I, Part A Cluster				2,226,744	2,668,600
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027			
FY 2010-2011			14211-040-PN01	237,006	-
FY 2011-2012			14212-040-PN01	1,306,159	436,215
FY 2012-2013			14213-040-PN01	-	1,405,551
Special Education Technology Grant				4,417	-
Special Education Improvement Award			5250-5259	-	48,756
Total - Special Education - Grants to States				1,547,582	1,890,522
Special Education - Preschool Grants	Indiana Department of Education	84.173			
FY 2010-2011			45711-040-PN01	4,410	-
FY 2011-2012			45712-040-PN01	61,591	2,611
FY 2012-2013			45713-040-PN01	-	59,852
Total - Special Education - Preschool Grants				66,001	62,463

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

MICHIGAN CITY AREA SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	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)					
Special Education Cluster (continued)					
ARRA - Special Education - Grants to States, Recovery Act	Indiana Department of Education	84.391	333100-040-SN01	126,826	-
Total - Special Education Cluster				1,740,409	1,952,985
Education and Homeless Children and Youth Cluster					
Education and Homeless Children and Youth	Indiana Department of Education	84.196			
11-12 McKinney Vento			SY 11-12	35,154	38,897
12-13 McKinney Vento			SY 12-13	-	34,562
Total - Education and Homeless Children and Youth Cluster				35,154	73,459
Adult Education - Basic Grants to States	The Center of Workforce Innovations	84.002			
FY 2010-2011			FY11-8022	30,991	-
FY 2011-2012			FY12-8022	168,057	84,582
FY 2012-2013			FY13-8022	-	164,263
			CWI-AE-05-PY12	-	27,360
Total - Adult Education - Basic Grants to States				199,048	276,205
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048			
Carl Perkins 2010-2011			11-4700-4925	144,979	-
Carl Perkins 2011-2012			12-4700-4925	79,456	187,145
Carl Perkins 2012-2013			13-4700-4925	-	58,999
Division of College and Preparation Pathways/Tech Prep Grants			11-6200-4925	39,989	-
Area Career and Technical Education District/Tech Prep Carryover Funds			13-4700-4925	-	8,090
Total - Career and Technical Education - Basic Grants to States				264,424	254,234
Safe and Drug Free Schools and Communities - State Grants	Indiana Department of Education	84.186			
2009-2011			4925-10	22,257	-
Tech-Prep Education	Indiana Department of Education	84.243			
2010-2011				11,954	-
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287			
Summer Adventure Camp			10-11 Cohort IV	11,086	-
Safe Harbor			11-12 Cohort IV	332,065	32,892

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

MICHIGAN CITY AREA SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	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)					
Twenty-First Century Community Learning Centers (continued)	Indiana Department of Education	84.287			
Safe Harbor			12-13 Cohort IV	-	286,062
Safe Harbor			10-11 Cohort IV	11,662	-
Safe Harbor			11-12 Cohort IV	411,905	21,845
Safe Harbor			12-13 Cohort IV	-	379,268
Total - Twenty-First Century Community Learning Centers				766,718	720,067
Mathematics and Science Partnerships	Indiana Department of Education	84.366			
10-11 Year 3				202,633	30,225
11-12 Year 3				124,084	181,389
Total - Mathematics and Science Partnerships				326,717	211,614
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
2009-2011			09-4925	97,008	-
2010-2012			10-4925	348,503	12,285
2011-2013			11-4925	107,162	286,394
2012-2014			12-4925	-	101,360
Total - Improving Teacher Quality State Grants				552,673	400,039
Education Jobs Fund	Indiana Department of Education	84.410		1,187,607	28,344
Total - Department of Education				7,482,423	6,646,953
Department of Health and Human Services					
Medicaid Cluster					
Medical Assistance Program	Indiana Office of Medicaid Policy and Planning	93.778		11,036	48,748
Total - Medicaid Cluster				11,036	48,748
Block Grants for Prevention and Treatment of Substance Abuse	Swanson Center	93.959			
Afternoon Rocks			FY 09-10	-	8,227
Total - Department of Health and Human Services				11,036	56,975
Total federal awards expended				$ 10,583,258	$ 9,454,775

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

MICHIGAN CITY AREA SCHOOLS
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 Michigan City Area Schools (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	$ 52,751	$ 51,940
National School Lunch Program	10.555	156,308	160,076

MICHIGAN CITY AREA SCHOOLS
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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
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?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster
84.367	Improving Teacher Quality State Grants
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: $601,141

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MICHIGAN CITY AREA SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 3, 2014, with Lance Werner, Chief Financial Officer; Dr. Barbara Eason-Watkins, Superintendent of Schools; and Donald J. Dulaney, President of the School Board. The Official Response has been made a part of this report and may be found on page 59.

Michigan City
Area Schools
Opportunity ★ Excellence ★ Pride
408 South Carroll Avenue
Michigan City, IN 46360
219-873-2000

February 14, 2014

This letter serves as our official response from the Michigan City Area Schools concerning our recent audit for July 1, 2011 to June 30, 2013.

OVERDRAWN CASH BALANCES

We concur with the overdrawn cash balance in the General Fund.

We concur with the overdrawn cash balance in the Capital Projects Fund. If local property taxes are received in a timely manner, it will be possible for this fund to maintain a positive balance.

I appreciate the professional and courteous audit performed by the Field Examiners.

Sincerely,

Lance E. Werner

Lance E. Werner
Chief Financial Officer