B43291

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

METROPOLITAN SCHOOL DISTRICT OF
SOUTHWEST ALLEN COUNTY
ALLEN COUNTY, INDIANA

July 1, 2011 to June 30, 2013

FILED
03/07/2014

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	James W. Coplen	07-01-11 to 06-30-14
Superintendent of Schools	Dr. Steven L. Yager	07-01-11 to 06-30-14
President of the School Board	John S. Bloom	07-01-11 to 06-30-12
	Mark W. Gilpin	07-01-12 to 12-31-12
	John F. Blum	01-01-13 to 12-31-14

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 METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Metropolitan School District of Southwest Allen County (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 10, 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 Payables and Receivables, 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 Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

February 10, 2014

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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY, ALLEN 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 Metropolitan School District of Southwest Allen County (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 10, 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.

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

Compliance and Other Matters

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

Metropolitan School District of Southwest Allen County's 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 10, 2014

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FINANCIAL STATEMENT

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	$ 2,939,148	$ 37,287,085	$ 37,889,135	$ 586,945	$ 2,924,043	$ 38,022,236	$ 37,350,984	$ 689,531	$ 4,284,826
Referendum	2,533,556	3,552,040	2,547,573	(697,120)	2,840,903	3,535,416	2,761,833	(715,396)	2,899,090
Debt Service	3,728,039	9,933,630	10,229,087	(14,302)	3,418,280	10,465,178	8,987,829	(22,675)	4,872,954
Severance Bonds	1,089	405,095	411,377	-	(5,193)	402,713	197,953	-	199,567
Capital Projects	2,637,701	6,764,980	7,819,000	-	1,583,681	7,276,437	6,884,383	-	1,975,735
School Transportation	1,127,308	2,724,266	2,697,301	-	1,154,273	2,825,169	2,660,309	-	1,319,133
School Bus Replacement	595,875	237,033	-	-	832,908	434,738	717,645	-	550,001
Rainy Day	1,545,532	1,145	-	-	1,546,677	813	-	-	1,547,490
Retirement/Severance	792,536	228	56,029	-	736,735	387	99,808	-	637,314
Construction	-	-	-	-	-	-	327,902	1,999,174	1,671,272
Cafeteria	705,418	2,668,085	2,626,676	-	746,827	2,598,695	2,746,817	-	598,705
Textbook Rental	668,422	514,775	552,678	14,302	644,821	481,511	93,848	22,675	1,055,159
Self-Insurance	5,637,698	5,643,016	6,075,197	-	5,205,517	5,719,551	5,898,711	-	5,026,357
Educational License Plates	-	919	919	-	-	1,200	469	-	731
Alternative Education	-	2,539	112,714	110,175	-	2,868	112,930	110,062	-
Early Intervention Grant	-	-	-	-	-	9,999	9,999	-	-
Schwab 2011	-	10,000	8,045	-	1,955	-	1,955	-	-
Schwab 2012	-	-	-	-	-	26,892	10,138	-	16,754
Schwab 2013	-	-	-	-	-	44,919	-	-	44,919
Awards/Donation	400	-	400	-	-	-	-	-	-
Awards/Donation 2011	-	5,090	2,590	-	2,500	2,000	4,500	-	-
Local Grant 2011	-	200	174	-	26	-	26	-	-
Local Grant 2012	-	-	-	-	-	300	300	-	-
Tech Fees	-	-	-	-	-	66,698	57	-	66,641
American Institute	1,000	-	-	-	1,000	-	1,000	-	-
Band Uniforms	30,513	23	-	-	30,536	16	-	-	30,552
Vetter Memorial	1,272	-	-	-	1,272	-	-	-	1,272
Center School Project	1,274	248	-	-	1,522	436	1,542	-	416
NREA Mini	97	-	97	-	-	-	-	-	-
Education Foundation	4,728	-	4,728	-	-	-	-	-	-
Instruction Support 2012	-	53,372	-	-	53,372	-	-	(53,372)	-
Instruction Support 2013	-	-	-	-	-	53,288	-	-	53,288
Non-English Speaking Grant 2012	-	10,459	-	-	10,459	-	-	(10,459)	-
Non-English Speaking Grant 2013	-	-	-	-	-	8,767	-	(8,767)	-
Connectivity	1,770	7,080	7,080	-	1,770	7,221	7,080	-	1,911
Tech Grant	3,840	-	3,840	-	-	-	-	-	-
Child Care Program 2010	85,341	-	85,341	-	-	-	-	-	-
Child Care Program 2011	-	230,295	158,455	-	71,840	26	71,866	-	-
Child Care Program 2012	-	-	-	-	-	252,627	172,348	-	80,279
Pre-School Co-op 2010	(7,327)	11,362	4,035	-	-	-	-	-	-
Pre-School Co-op 2011	-	70,571	78,411	-	(7,840)	11,906	4,066	-	-
Pre-School Co-op 2012	-	-	-	-	-	70,748	76,855	-	(6,107)

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Safe Haven Program 2010	1,999	-	1,999	-	-	-	-	-	-
Safe Haven Program 2011	-	20,000	20,000	-	-	-	-	-	-
Safe Haven Program 2012	-	-	-	-	-	10,000	10,000	-	-
Smith Green W.A. 2010	(80,266)	107,011	26,745	-	-	-	-	-	-
Smith Green W.A. 2011	-	139,053	164,666	-	(25,613)	32,678	7,065	-	-
Smith Green W.A. 2012	-	-	-	-	-	158,366	178,406	-	(20,040)
Title I 2011	(13,395)	26,977	13,582	-	-	-	-	-	-
Title I 2012	-	138,861	145,522	-	(6,661)	52,147	45,486	-	-
Title I 2013	-	-	-	-	-	275,520	290,910	-	(15,390)
IDEA Part B Smith Green 2011	-	80,205	200,940	-	(120,735)	187,500	66,765	-	-
IDEA Part B Smith Green 2012	-	-	-	-	-	176,710	176,860	-	(150)
IDEA Part B Northwest Allen County Schools 2011	-	599,455	662,372	-	(62,917)	370,989	325,246	-	(17,174)
IDEA Part B Northwest Allen County Schools 2012	-	-	-	-	-	666,352	740,386	-	(74,034)
IDEA 2010	(150,547)	901,608	773,219	-	(22,158)	23,543	1,385	-	-
IDEA 2011	-	967,571	1,096,454	-	(128,883)	275,886	152,521	-	(5,518)
IDEA 2012	-	-	-	-	-	1,114,410	1,224,248	-	(109,838)
IDEA 2009	(24,687)	51,802	27,115	-	-	-	-	-	-
IDEA Part B LEA Capacity Building (Sliver) Grants	-	-	-	-	-	69,453	69,453	-	-
Discretionary Grant 2010	(10,803)	41,972	31,169	-	-	-	-	-	-
Discretionary Grant 2011	-	67,699	78,506	-	(10,807)	45,416	34,609	-	-
Discretionary Grant 2012	-	-	-	-	-	71,242	79,597	-	(8,355)
Preschool 2010	(4,864)	9,728	4,864	-	-	-	-	-	-
Preschool 2011	-	53,506	58,370	-	(4,864)	8,648	3,784	-	-
Preschool 2012	-	-	-	-	-	59,655	65,028	-	(5,373)
Drug Free 2011	-	2,062	2,062	-	-	-	-	-	-
Drug Free 2009	(4,395)	4,515	120	-	-	-	-	-	-
Perkins Grant 2010	(449)	3,798	3,349	-	-	-	-	-	-
Perkins Grant 2011	-	4,535	5,535	-	(1,000)	1,000	-	-	-
Perkins Grant 2012	-	-	-	-	-	34,995	34,995	-	-
Perkins Grant 2013	-	-	-	-	-	1,929	1,929	-	-
Smaller Learning Communities 2011	(2,349)	83,754	81,405	-	-	-	-	-	-
Title II 2012	-	-	-	-	-	74,696	74,696	-	-
Title III 2013	-	-	-	-	-	12,856	1,257	(11,599)	-
Green Roof Project	-	394,569	394,569	-	-	-	-	-	-
Special Ed ARRA	(114,025)	493,456	379,431	-	-	-	-	-	-
Special Ed Pre-School ARRA	(4,804)	17,361	12,557	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	1,206,252	1,206,252	-	-
Payroll	166,757	10,732,520	11,039,411	-	(140,134)	11,108,126	10,804,544	-	163,448
Cafeteria Clearing	114,722	1,854,268	1,980,149	-	(11,159)	1,976,317	1,894,414	-	70,744
Totals	$ 22,908,124	$ 86,929,822	$ 88,574,993	$ -	$ 21,262,953	$ 90,337,441	$ 86,692,989	$ 1,999,174	$ 26,906,579

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 may 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 may 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 may include the following:

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30 of that fiscal year.

Note 8. Holding Corporation

The School Corporation has entered into capital leases with Southwest Allen Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2012 and 2013 totaled $8,095,000 and $6,930,000, respectively.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012

	General	Referendum	Debt Service	Severance Bonds	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance	Construction
Cash and investments - beginning	$ 2,939,148	$ 2,533,556	$ 3,728,039	$ 1,089	$ 2,637,701	$ 1,127,308	$ 595,875	$ 1,545,532	$ 792,536	$ -
Receipts:										
Local sources	891,148	3,552,040	9,933,630	405,095	6,742,994	2,625,119	237,033	1,145	228	-
Intermediate sources	23	-	-	-	-	-	-	-	-	-
State sources	36,082,177	-	-	-	-	-	-	-	-	-
Federal sources	41	-	-	-	-	-	-	-	-	-
Other	313,696	-	-	-	21,986	99,147	-	-	-	-
Total receipts	37,287,085	3,552,040	9,933,630	405,095	6,764,980	2,724,266	237,033	1,145	228	-
Disbursements:										
Current:										
Instruction	26,362,190	2,388,334	-	-	-	-	-	-	56,029	-
Support services	10,873,004	159,239	-	-	4,137,254	2,691,543	-	-	-	-
Noninstructional services	651,399	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	3,681,746	5,758	-	-	-	-
Debt services	2,542	-	10,229,087	411,377	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	37,889,135	2,547,573	10,229,087	411,377	7,819,000	2,697,301	-	-	56,029	-
Excess (deficiency) of receipts over disbursements	(602,050)	1,004,467	(295,457)	(6,282)	(1,054,020)	26,965	237,033	1,145	(55,801)	-
Other financing sources (uses):										
Transfers in	697,120	-	-	-	-	-	-	-	-	-
Transfers out	(110,175)	(697,120)	(14,302)	-	-	-	-	-	-	-
Total other financing sources (uses)	586,945	(697,120)	(14,302)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,105)	307,347	(309,759)	(6,282)	(1,054,020)	26,965	237,033	1,145	(55,801)	-
Cash and investments - ending	$ 2,924,043	$ 2,840,903	$ 3,418,280	$ (5,193)	$ 1,583,681	$ 1,154,273	$ 832,908	$ 1,546,677	$ 736,735	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Cafeteria	Textbook Rental	Self-Insurance	Educational License Plates	Alternative Education	Early Intervention Grant	Schwab 2011	Schwab 2012	Schwab 2013
Cash and investments - beginning	$ 705,418	$ 668,422	$ 5,637,698	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:									
Local sources	1,654,690	439,186	5,643,016	-	-	-	-	-	-
Intermediate sources	-	-	-	919	-	-	-	-	-
State sources	-	75,589	-	-	2,539	-	10,000	-	-
Federal sources	1,013,395	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	2,668,085	514,775	5,643,016	919	2,539	-	10,000	-	-
Disbursements:									
Current:									
Instruction	-	-	-	919	112,714	-	8,045	-	-
Support services	-	552,678	-	-	-	-	-	-	-
Noninstructional services	2,626,676	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	6,075,197	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	2,626,676	552,678	6,075,197	919	112,714	-	8,045	-	-
Excess (deficiency) of receipts over disbursements	41,409	(37,903)	(432,181)	-	(110,175)	-	1,955	-	-
Other financing sources (uses):									
Transfers in	-	14,302	-	-	110,175	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	14,302	-	-	110,175	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	41,409	(23,601)	(432,181)	-	-	-	1,955	-	-
Cash and investments - ending	$ 746,827	$ 644,821	$ 5,205,517	$ -	$ -	$ -	$ 1,955	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Awards/ Donation	Awards/ Donation 2011	Local Grant 2011	Local Grant 2012	Tech Fees	American Institute	Band Uniforms	Vetter Memorial	Center School Project
Cash and investments - beginning	$ 400	$ -	$ -	$ -	$ -	$ 1,000	$ 30,513	$ 1,272	$ 1,274
Receipts:									
Local sources	-	5,090	200	-	-	-	23	-	248
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	5,090	200	-	-	-	23	-	248
Disbursements:									
Current:									
Instruction	400	2,590	174	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	400	2,590	174	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(400)	2,500	26	-	-	-	23	-	248
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(400)	2,500	26	-	-	-	23	-	248
Cash and investments - ending	$ -	$ 2,500	$ 26	$ -	$ -	$ 1,000	$ 30,536	$ 1,272	$ 1,522

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	NREA Mini	Education Foundation	Instruction Support 2012	Instruction Support 2013	Non-English Speaking Grant 2012	Non-English Speaking Grant 2013	Connectivity	Tech Grant	Child Care Program 2010
Cash and investments - beginning	$ 97	$ 4,728	$ -	$ -	$ -	$ -	$ 1,770	$ 3,840	$ 85,341
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	53,372	-	10,459	-	7,080	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	53,372	-	10,459	-	7,080	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	7,080	3,840	-
Noninstructional services	97	-	-	-	-	-	-	-	85,341
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	4,728	-	-	-	-	-	-	-
Total disbursements	97	4,728	-	-	-	-	7,080	3,840	85,341
Excess (deficiency) of receipts over disbursements	(97)	(4,728)	53,372	-	10,459	-	-	(3,840)	(85,341)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(97)	(4,728)	53,372	-	10,459	-	-	(3,840)	(85,341)
Cash and investments - ending	$ -	$ -	$ 53,372	$ -	$ 10,459	$ -	$ 1,770	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Child Care Program 2011	Child Care Program 2012	Pre-School Co-op 2010	Pre-School Co-op 2011	Pre-School Co-op 2012	Safe Haven Program 2010	Safe Haven Program 2011	Safe Haven Program 2012	Smith Green W.A 2010
Cash and investments - beginning	$ -	$ -	$ (7,327)	$ -	$ -	$ 1,999	$ -	$ -	$ (80,266)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	20,000	-	-
Federal sources	229,799	-	11,362	70,571	-	-	-	-	107,011
Other	496	-	-	-	-	-	-	-	-
Total receipts	230,295	-	11,362	70,571	-	-	20,000	-	107,011
Disbursements:									
Current:									
Instruction	-	-	4,035	78,411	-	-	-	-	14,438
Support services	-	-	-	-	-	-	-	-	12,307
Noninstructional services	158,455	-	-	-	-	1,999	20,000	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	158,455	-	4,035	78,411	-	1,999	20,000	-	26,745
Excess (deficiency) of receipts over disbursements	71,840	-	7,327	(7,840)	-	(1,999)	-	-	80,266
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,840	-	7,327	(7,840)	-	(1,999)	-	-	80,266
Cash and investments - ending	$ 71,840	$ -	$ -	$ (7,840)	$ -	$ -	$ -	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Smith Green W.A 2011	Smith Green W.A 2012	Title I 2011	Title I 2012	Title I 2013	IDEA Part B Smith Green 2011	IDEA Part B Smith Green 2012	IDEA Part B Northwest Allen County Schools 2011	IDEA Part B Northwest Allen County Schools 2012
Cash and investments - beginning	$ -	$ -	$ (13,395)	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	139,053	-	26,977	138,861	-	80,205	-	599,455	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	139,053	-	26,977	138,861	-	80,205	-	599,455	-
Disbursements:									
Current:									
Instruction	145,567	-	13,570	134,037	-	128,309	-	326,431	-
Support services	19,099	-	-	1,472	-	72,631	-	335,941	-
Noninstructional services	-	-	12	10,013	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	164,666	-	13,582	145,522	-	200,940	-	662,372	-
Excess (deficiency) of receipts over disbursements	(25,613)	-	13,395	(6,661)	-	(120,735)	-	(62,917)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,613)	-	13,395	(6,661)	-	(120,735)	-	(62,917)	-
Cash and investments - ending	$ (25,613)	$ -	$ -	$ (6,661)	$ -	$ (120,735)	$ -	$ (62,917)	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	IDEA 2010	IDEA 2011	IDEA 2012	IDEA 2009	IDEA Part B LEA Capacity Building (Sliver) Grants	Discretionary Grant 2010	Discretionary Grant 2011	Discretionary Grant 2012	Preschool 2010
Cash and investments - beginning	$ (150,547)	$ -	$ -	$ (24,687)	$ -	$ (10,803)	$ -	$ -	$ (4,864)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	901,608	967,571	-	51,802	-	41,972	67,699	-	9,728
Other	-	-	-	-	-	-	-	-	-
Total receipts	901,608	967,571	-	51,802	-	41,972	67,699	-	9,728
Disbursements:									
Current:									
Instruction	535,745	471,360	-	6,418	-	-	-	-	4,864
Support services	237,474	625,094	-	20,697	-	31,169	78,506	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	773,219	1,096,454	-	27,115	-	31,169	78,506	-	4,864
Excess (deficiency) of receipts over disbursements	128,389	(128,883)	-	24,687	-	10,803	(10,807)	-	4,864
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	128,389	(128,883)	-	24,687	-	10,803	(10,807)	-	4,864
Cash and investments - ending	$ (22,158)	$ (128,883)	$ -	$ -	$ -	$ -	$ (10,807)	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Preschool 2011	Preschool 2012	Drug Free 2011	Drug Free 2009	Perkins Grant 2010	Perkins Grant 2011	Perkins Grant 2012	Perkins Grant 2013	Smaller Learning Communities 2011
Cash and investments - beginning	$ -	$ -	$ -	$ (4,395)	$ (449)	$ -	$ -	$ -	$ (2,349)
Receipts:									
Local sources	-	-	-	-	3,798	4,535	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	53,506	-	2,062	3,881	-	-	-	-	82,254
Other	-	-	-	634	-	-	-	-	1,500
Total receipts	53,506	-	2,062	4,515	3,798	4,535	-	-	83,754
Disbursements:									
Current:									
Instruction	58,370	-	1,196	120	3,349	5,535	-	-	-
Support services	-	-	866	-	-	-	-	-	81,405
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	58,370	-	2,062	120	3,349	5,535	-	-	81,405
Excess (deficiency) of receipts over disbursements	(4,864)	-	-	4,395	449	(1,000)	-	-	2,349
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,864)	-	-	4,395	449	(1,000)	-	-	2,349
Cash and investments - ending	$ (4,864)	$ -	$ -	$ -	$ -	$ (1,000)	$ -	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 2012	Title III 2013	Green Roof Project	Special Ed ARRA	Special Ed Pre-School ARRA	Education Jobs	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ (114,025)	$ (4,804)	$ -	$ 166,757	$ 114,722	$ 22,908,124
Receipts:									
Local sources	-	-	-	-	-	-	-	-	32,139,218
Intermediate sources	-	-	-	-	-	-	-	-	942
State sources	-	-	-	-	-	-	-	-	36,261,216
Federal sources	-	-	394,569	493,456	17,361	-	-	-	5,504,199
Other	-	-	-	-	-	-	10,732,520	1,854,268	13,024,247
Total receipts	-	-	394,569	493,456	17,361	-	10,732,520	1,854,268	86,929,822
Disbursements:									
Current:									
Instruction	-	-	-	120,032	12,557	-	-	-	30,995,739
Support services	-	-	-	191,410	-	-	-	-	20,132,709
Noninstructional services	-	-	-	-	-	-	-	-	3,553,992
Facilities acquisition and construction	-	-	394,569	-	-	-	-	-	4,082,073
Debt services	-	-	-	-	-	-	-	-	10,643,006
Nonprogrammed charges	-	-	-	67,989	-	-	-	-	6,143,186
Other	-	-	-	-	-	-	11,039,411	1,980,149	13,024,288
Total disbursements	-	-	394,569	379,431	12,557	-	11,039,411	1,980,149	88,574,993
Excess (deficiency) of receipts over disbursements	-	-	-	114,025	4,804	-	(306,891)	(125,881)	(1,645,171)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	821,597
Transfers out	-	-	-	-	-	-	-	-	(821,597)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	114,025	4,804	-	(306,891)	(125,881)	(1,645,171)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ (140,134)	$ (11,159)	$ 21,262,953

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013

	General	Referendum	Debt Service	Severance Bonds	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance	Construction
Cash and investments - beginning	$ 2,924,043	$ 2,840,903	$ 3,418,280	$ (5,193)	$ 1,583,681	$ 1,154,273	$ 832,908	$ 1,546,677	$ 736,735	$ -
Receipts:										
Local sources	698,154	3,535,416	10,261,757	402,713	6,773,882	2,745,938	434,738	813	387	-
Intermediate sources	12	-	-	-	-	-	-	-	-	-
State sources	36,953,464	-	-	-	-	-	-	-	-	-
Federal sources	69,385	-	-	-	252	-	-	-	-	-
Temporary loans	-	-	203,421	-	421,592	-	-	-	-	-
Other	301,221	-	-	-	80,711	79,231	-	-	-	-
Total receipts	38,022,236	3,535,416	10,465,178	402,713	7,276,437	2,825,169	434,738	813	387	-
Disbursements:										
Current:										
Instruction	25,630,207	2,562,288	-	-	-	-	-	-	19,736	-
Support services	11,063,048	199,545	-	-	4,288,359	2,660,086	717,645	-	80,072	-
Noninstructional services	657,729	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	2,596,024	223	-	-	-	327,902
Debt services	-	-	8,987,829	197,953	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	37,350,984	2,761,833	8,987,829	197,953	6,884,383	2,660,309	717,645	-	99,808	327,902
Excess (deficiency) of receipts over disbursements	671,252	773,583	1,477,349	204,760	392,054	164,860	(282,907)	813	(99,421)	(327,902)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	1,999,174
Transfers in	799,593	-	-	-	-	-	-	-	-	-
Transfers out	(110,062)	(715,396)	(22,675)	-	-	-	-	-	-	-
Total other financing sources (uses)	689,531	(715,396)	(22,675)	-	-	-	-	-	-	1,999,174
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,360,783	58,187	1,454,674	204,760	392,054	164,860	(282,907)	813	(99,421)	1,671,272
Cash and investments - ending	$ 4,284,826	$ 2,899,090	$ 4,872,954	$ 199,567	$ 1,975,735	$ 1,319,133	$ 550,001	$ 1,547,490	$ 637,314	$ 1,671,272

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Cafeteria	Textbook Rental	Self-Insurance	Educational License Plates	Alternative Education	Early Intervention Grant	Schwab 2011	Schwab 2012	Schwab 2013
Cash and investments - beginning	$ 746,827	$ 644,821	$ 5,205,517	$ -	$ -	$ -	$ 1,955	$ -	$ -
Receipts:									
Local sources	1,962,334	400,921	5,719,551	-	-	-	-	-	-
Intermediate sources	-	-	-	1,200	-	-	-	-	-
State sources	-	80,590	-	-	2,868	9,999	-	26,892	44,919
Federal sources	636,361	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	2,598,695	481,511	5,719,551	1,200	2,868	9,999	-	26,892	44,919
Disbursements:									
Current:									
Instruction	-	14,838	-	469	112,930	9,999	1,955	10,138	-
Support services	-	79,010	-	-	-	-	-	-	-
Noninstructional services	2,746,817	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	5,898,711	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	2,746,817	93,848	5,898,711	469	112,930	9,999	1,955	10,138	-
Excess (deficiency) of receipts over disbursements	(148,122)	387,663	(179,160)	731	(110,062)	-	(1,955)	16,754	44,919
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	22,675	-	-	110,062	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	22,675	-	-	110,062	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(148,122)	410,338	(179,160)	731	-	-	(1,955)	16,754	44,919
Cash and investments - ending	$ 598,705	$ 1,055,159	$ 5,026,357	$ 731	$ -	$ -	$ -	$ 16,754	$ 44,919

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Awards/ Donation	Awards/ Donation 2011	Local Grant 2011	Local Grant 2012	Tech Fees	American Institute	Band Uniforms	Vetter Memorial	Center School Project
Cash and investments - beginning	$ -	$ 2,500	$ 26	$ -	$ -	$ 1,000	$ 30,536	$ 1,272	$ 1,522
Receipts:									
Local sources	-	2,000	-	300	-	-	16	-	436
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	66,698	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	2,000	-	300	66,698	-	16	-	436
Disbursements:									
Current:									
Instruction	-	2,000	26	300	-	1,000	-	-	-
Support services	-	2,500	-	-	57	-	-	-	1,542
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,500	26	300	57	1,000	-	-	1,542
Excess (deficiency) of receipts over disbursements	-	(2,500)	(26)	-	66,641	(1,000)	16	-	(1,106)
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	-	(2,500)	(26)	-	66,641	(1,000)	16	-	(1,106)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ 66,641	$ -	$ 30,552	$ 1,272	$ 416

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	NREA Mini	Education Foundation	Instruction Support 2012	Instruction Support 2013	Non-English Speaking Grant 2012	Non-English Speaking Grant 2013	Connectivity	Tech Grant	Child Care Program 2010
Cash and investments - beginning	$ -	$ -	$ 53,372	$ -	$ 10,459	$ -	$ 1,770	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	53,288	-	8,767	7,221	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	53,288	-	8,767	7,221	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	7,080	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	7,080	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	53,288	-	8,767	141	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(53,372)	-	(10,459)	(8,767)	-	-	-
Total other financing sources (uses)	-	-	(53,372)	-	(10,459)	(8,767)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(53,372)	53,288	(10,459)	-	141	-	-
Cash and investments - ending	$ -	$ -	$ -	$ 53,288	$ -	$ -	$ 1,911	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Child Care Program 2011	Child Care Program 2012	Pre-School Co-op 2010	Pre-School Co-op 2011	Pre-School Co-op 2012	Safe Haven Program 2010	Safe Haven Program 2011	Safe Haven Program 2012	Smith Green W.A 2010
Cash and investments - beginning	$ 71,840	$ -	$ -	$ (7,840)	$ -	$ -	$ -	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	265	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	10,000	-
Federal sources	-	252,362	-	11,906	70,748	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	26	-	-	-	-	-	-	-	-
Total receipts	26	252,627	-	11,906	70,748	-	-	10,000	-
Disbursements:									
Current:									
Instruction	-	-	-	4,066	76,855	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	71,866	172,348	-	-	-	-	-	10,000	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	71,866	172,348	-	4,066	76,855	-	-	10,000	-
Excess (deficiency) of receipts over disbursements	(71,840)	80,279	-	7,840	(6,107)	-	-	-	-
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	(71,840)	80,279	-	7,840	(6,107)	-	-	-	-
Cash and investments - ending	$ -	$ 80,279	$ -	$ -	$ (6,107)	$ -	$ -	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Smith Green W.A 2011	Smith Green W.A 2012	Title I 2011	Title I 2012	Title I 2013	IDEA Part B Smith Green 2011	IDEA Part B Smith Green 2012	IDEA Part B Northwest Allen County Schools 2011	IDEA Part B Northwest Allen County Schools 2012
Cash and investments - beginning	$ (25,613)	$ -	$ -	$ (6,661)	$ -	$ (120,735)	$ -	$ (62,917)	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	32,678	158,366	-	52,147	275,520	187,500	176,710	370,989	666,352
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	32,678	158,366	-	52,147	275,520	187,500	176,710	370,989	666,352
Disbursements:									
Current:									
Instruction	5,868	159,934	-	40,497	281,303	18,797	86,972	217,854	423,787
Support services	1,197	18,472	-	2,678	1,800	47,968	89,888	107,392	316,599
Noninstructional services	-	-	-	2,311	7,807	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	7,065	178,406	-	45,486	290,910	66,765	176,860	325,246	740,386
Excess (deficiency) of receipts over disbursements	25,613	(20,040)	-	6,661	(15,390)	120,735	(150)	45,743	(74,034)
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	25,613	(20,040)	-	6,661	(15,390)	120,735	(150)	45,743	(74,034)
Cash and investments - ending	$ -	$ (20,040)	$ -	$ -	$ (15,390)	$ -	$ (150)	$ (17,174)	$ (74,034)

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	IDEA 2010	IDEA 2011	IDEA 2012	IDEA 2009	IDEA Part B LEA Capacity Building (Sliver) Grants	Discretionary Grant 2010	Discretionary Grant 2011	Discretionary Grant 2012	Preschool 2010
Cash and investments - beginning	$ (22,158)	$ (128,883)	$ -	$ -	$ -	$ -	$ (10,807)	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	69,453	-	-	-	-
Federal sources	23,543	275,886	1,114,410	-	-	-	45,416	71,242	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	23,543	275,886	1,114,410	-	69,453	-	45,416	71,242	-
Disbursements:									
Current:									
Instruction	1,385	89,487	524,523	-	69,453	-	-	-	-
Support services	-	63,034	699,725	-	-	-	34,609	79,597	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	1,385	152,521	1,224,248	-	69,453	-	34,609	79,597	-
Excess (deficiency) of receipts over disbursements	22,158	123,365	(109,838)	-	-	-	10,807	(8,355)	-
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	22,158	123,365	(109,838)	-	-	-	10,807	(8,355)	-
Cash and investments - ending	$ -	$ (5,518)	$ (109,838)	$ -	$ -	$ -	$ -	$ (8,355)	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Preschool 2011	Preschool 2012	Drug Free 2011	Drug Free 2009	Perkins Grant 2010	Perkins Grant 2011	Perkins Grant 2012	Perkins Grant 2013	Smaller Learning Communities 2011
Cash and investments - beginning	$ (4,864)	$ -	$ -	$ -	$ -	$ (1,000)	$ -	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	1,000	34,995	1,929	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	8,648	59,655	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	8,648	59,655	-	-	-	1,000	34,995	1,929	-
Disbursements:									
Current:									
Instruction	3,784	65,028	-	-	-	-	34,995	1,929	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	3,784	65,028	-	-	-	-	34,995	1,929	-
Excess (deficiency) of receipts over disbursements	4,864	(5,373)	-	-	-	1,000	-	-	-
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	4,864	(5,373)	-	-	-	1,000	-	-	-
Cash and investments - ending	$ -	$ (5,373)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 2012	Title III 2013	Green Roof Project	Special Ed ARRA	Special Ed Pre-School ARRA	Education Jobs	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ (140,134)	$ (11,159)	$ 21,262,953
Receipts:									
Local sources	-	-	-	-	-	-	-	-	32,977,280
Intermediate sources	-	-	-	-	-	-	-	-	1,477
State sources	-	12,856	-	-	-	-	-	-	37,280,317
Federal sources	74,696	-	-	-	-	1,206,252	-	-	5,907,722
Temporary loans	-	-	-	-	-	-	-	-	625,013
Other	-	-	-	-	-	-	11,108,126	1,976,317	13,545,632
Total receipts	74,696	12,856	-	-	-	1,206,252	11,108,126	1,976,317	90,337,441
Disbursements:									
Current:									
Instruction	69,385	-	-	-	-	1,206,252	-	-	31,748,040
Support services	2,241	1,257	-	-	-	-	-	-	20,565,401
Noninstructional services	-	-	-	-	-	-	-	-	3,668,878
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,924,149
Debt services	-	-	-	-	-	-	-	-	9,185,782
Nonprogrammed charges	3,070	-	-	-	-	-	-	-	5,901,781
Other	-	-	-	-	-	-	10,804,544	1,894,414	12,698,958
Total disbursements	74,696	1,257	-	-	-	1,206,252	10,804,544	1,894,414	86,692,989
Excess (deficiency) of receipts over disbursements	-	11,599	-	-	-	-	303,582	81,903	3,644,452
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	1,999,174
Transfers in	-	-	-	-	-	-	-	-	932,330
Transfers out	-	(11,599)	-	-	-	-	-	-	(932,330)
Total other financing sources (uses)	-	(11,599)	-	-	-	-	-	-	1,999,174
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	303,582	81,903	5,643,626
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ 163,448	$ 70,744	$ 26,906,579

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

School Corporation	Accounts Payable	Accounts Receivable
Governmental activities	$ 2,672,397	$ 261,979

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Key Government Finance, Inc.	Technology network equipment	$ 70,893	04-15-13	07-15-15
Chase Equipment Finance	Laptop computers for middle school students	374,494	10-07-11	10-07-13
Chase Equipment Finance	Laptop computers for teachers and highschool students	450,200	06-22-12	09-01-15
Southwest Allen Multi SBC	Master Building Plan (Elementary, Middle School, Trans., Maint.)	891,210	10-06-11	01-15-20
Southwest Allen Multi SBC	Master Building Plan (Elementary, Middle School, Trans., Maint.)	5,306,224	05-22-13	01-15-20
Southwest Allen Multi SBC	Multi school renovations	2,032,376	07-15-11	01-15-16
Southwest Allen Multi SBC	Multi school renovations	793,877	07-15-11	01-15-17
Total of annual lease payments		$ 9,919,274		

Description of Debt			
Type	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds 2002	Pension bonds for unfunded liability	$ 1,790,000	$ 428,651
General obiligation bonds 2012	Tennis courts, HHS parking, Haverhill kitchen and Safayette Meadows entry	1,995,000	27,778
2004 Energy loan	Energy efficiency projects	5,574	5,574
2007 Energy loan	Energy efficiency projects	1,295,273	290,747
Promissary note	State Capital Projects Fund loan	210,796	210,796
Totals		$ 5,296,643	$ 963,546

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METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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	$ 3,604,300
Buildings	113,500,424
Improvements other than buildings	7,058,444
Machinery, equipment, and vehicles	7,018,013
Total capital assets	$ 131,181,181

FUND SOURCES AND USES – PROMOTION EXPENSE ACCOUNT

The School Corporation spent the following amounts for promotion of school expenditures based on five sampled MasterCard claims from a total population of 25.

Paid From	Amounts
General Fund – Executive Training	$ 985.53
General Fund – Director/Supplies	194.45
Transportation Fund – Travel/Conference	11.11
Total	$ 1,191.09

These items were spent on local food for in services and meetings. Expenditures for these types of items are only allowable from the Promotion Expense account in the General Fund that is based on the School Corporation's average daily membership. These expenditures could be considered personal expenses in future audits if they are not paid from the Promotional Expense account in the General Fund.

Indiana Code 20-26-5-4(3) states in part:

> "To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based upon the school corporation's previous year's ADM, to promote the best interests of the school corporation through: (A) the purchase of meals, decorations, memorabilia, or awards . . ."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

OVERDRAWN CASH BALANCES

The financial statement presented in this report included the following funds with overdrawn cash balances that were not due to reimbursable grants at June 30, 2012:

Fund	Amount Overdrawn
Payroll	$ 140,134
Cafeteria Clearing	11,159

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)

HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates that the number of honors diplomas reported on Form DOE-GR for the school years ending June 30, 2012, was over reported by one.

School Officials have contacted the Indiana Department of Education about this error.

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

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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 METROPOLITAN SCHOOL DISTRICT
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan School District of Southwest Allen County's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

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

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 10, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 2011-2012	$ 20,730	$ -
			FY 2012-2013	-	23,012
Total - School Breakfast Program				20,730	23,012
National School Lunch Program	Indiana Department of Education	10.555			
			FY 2011-2012	714,363	-
			FY 2012-2013	-	780,530
Total - National School Lunch Program	Indiana Department of Education			714,363	780,530
Total - Child Nutrition Cluster				735,093	803,542
Total - Department of Agriculture				735,093	803,542
Department of Energy					
Energy Efficiency and Renewable Energy Information, Dissemination, Outreach, Training and Technical Analysis/Assistance	Direct Grant	81.117	FY 2011-2012	394,569	-
Total - Department of Energy				394,569	-
Department of Education					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Basic Grant			11-0125	26,977	-
Basic Grant			12-0125	138,860	52,147
Basic Grant			13-0125	-	275,520
Total - Title I, Part A Cluster				165,837	327,667
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
			14210-054-PN01	51,800	-
			14211-054-PN01	901,608	23,543
			14212-054-PN01	1,647,226	834,370
			14213-054-PN01	-	1,957,475
			FY 2012-2013	-	69,452
	Indiana State University				
			FY 2010-2011	41,972	-
			FY 2011-2012	67,699	45,415
			FY 2012-2013	-	71,242
Total - Special Education - Grants to States				2,710,305	3,001,497

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 (IDEA) (continued)					
Special Education - Preschool Grants	Indiana Department of Education	84.173			
			45711-054-PN01	9,728	-
			45712-054-PN01	53,506	8,648
			45713-054-PN01	-	59,655
Total - Special Education - Preschool Grants				63,234	68,303
ARRA - Special Education - Grants to States, Recovery Act	Indiana Department of Education	84.391			
			33310-054-SN01	493,457	-
ARRA - Special Education - Preschool Grants, Recovery Act	Indiana Department of Education	84.392			
			44410-054-SN01	17,363	-
Total - Special Education Cluster (IDEA)				3,284,359	3,069,800
Fund for the Improvement of Education	Direct Grant	84.215			
			S215L060087	82,254	-
Career and Technical Education - Basic Grants to States	Fort Wayne Community Schools	84.048			
			FY 2011-2012	4,535	-
			FY 2012-2013	-	37,656
Total - Career and Technical Education - Basic Grants to States				4,535	37,656
Safe and Drug Free - Schools and Communities - State Grants	Indiana Department of Education	84.186			
			FY 2009-2010	5,943	-
Projects with Industry	Indiana Department of Education	84.234			
			FY 2010-2011	3,798	-
English Language Acquisition Grants	Indiana Department of Education	84.365			
			FY 2012-2013	-	12,856
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			FY 2012-2013	-	74,696
Education Jobs Fund	Indiana Department of Education	84.410			
			FY 2012-2013	-	1,206,252
Total - Department of Education				3,546,726	4,728,927
Total federal awards expended				$ 4,676,388	$ 5,532,469

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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 Metropolitan School District of Southwest Allen County (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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2012 and 2013:

Program Title	Federal CFDA Number	FY 2012	FY 2013
Special Education – Grants to States	84.027	$ 1,436,016	$ 1,295,239
ARRA - Special Education – Grants to States, Recovery Act	84.391	119,257	-
ARRA - Special Education – Preschool Grants, Recovery Act	84.392	2,707	-

Note 3. 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
National School Lunch Program	10.555	$ 185,697	$ 199,562

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
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
81.117	Energy Efficiency and Renewable Energy Information, Dissemination, Outreach, Training and Technical Analysis/Assistance
	Title I, Part A Cluster
	Special Education Cluster (IDEA)
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: $306,266

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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 10, 2014, with James W. Coplen, Treasurer; Dr. Steven L. Yager, Superintendent of Schools; John F. Blum, President of the School Board; Dr. Philip G. Downs, Assistant Superintendent of Schools; and Mary A. McCrory, Deputy Treasurer. The Official Response has been made a part of this report and may be found on page 55.

Southwest Allen County Schools
4824 Homestead Road
Fort Wayne, Indiana 46814
Phone: (260) 431-2030
Fax: (260) 431-2007
E-Mail: jcoplen@sacs.k12.in.us

Jim Coplen
Business Manager

February 11, 2014

Indiana State Board of Accounts
Mr. Paul Joyce, CPA
302 West Washington St.
4th Floor, Room E418
Indianapolis, IN 46204-2738

Dear Mr. Joyce,

The following is a response to the preliminary draft of the Audit Results and Comments that were presented as a part of the M.S.D. of Southwest Allen County audit report for the period of July 1, 2011 to June 30, 2013.

FUND SOURCES AND USES – PROMOTION EXPENSE ACCOUNT

Food and refreshments purchased locally for in-services and meetings related to the functions and purposes of the district will be charged to the school district's promotional account. We understand we are limited on the total expenditures out of the promotion account per IC 20-26-5-4(3).

OVERDRAWN CASH BALANCES

The funds identified as being overdrawn on June 30, 2012 were remedied soon after the June 30th date. One instance was caused by expenditures for computer/technology equipment which was subsequently offset by a lease. The other instance was caused by the receipt of funds in the incorrect account. A transfer was made to counterbalance this deficit fund balance.

HONORS DIPLOMAS – INCORRECT REPORTING TO THE STATE

M.S.D. of Southwest Allen County initially submitted the incorrect information for the number of students earning an Academic Honors Diploma in the 2010-11 school year. We had originally submitted 223 students when the actual number was 222. This error was discovered during the course of the audit and we notified the Indiana Department of Education, Division of School Finance in an email dated January 30, 2014. The State has requested a correction of the information previously submitted. They will make a minus adjustment to a future monthly state tuition support payment once the correction is made and confirmed.

Jim Coplen
Business Manager

Dr. Steven Yager
Superintendent