

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
GRANT COUNTY, INDIANA

July 1, 2011 to June 30, 2013



**FILED**  
03/27/2014



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jill S. Morphew	07-01-11 to 06-30-14
Superintendent of Schools	Michael A. Powell	07-01-11 to 06-30-14
President of the School Board	David Linn	01-01-11 to 12-31-14



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF MISSISSINEWA COMMUNITY  
SCHOOL CORPORATION, GRANT COUNTY, INDIANA

***Report on the Financial Statement***

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

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***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 March 4, 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.

  
Paul D. Joyce, CPA  
State Examiner

March 4, 2014



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

TO: THE OFFICIALS OF MISSISSINewa COMMUNITY  
SCHOOL CORPORATION, GRANT 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 Mississinewa Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated March 4, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

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



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

***Compliance and Other Matters***


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

***Mississinewa Community School Corporation's Response to Findings***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

March 4, 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.

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

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 3,647,979	\$ 14,813,032	\$ 14,416,999	\$ -	\$ 4,044,012	\$ 15,552,599	\$ 15,547,206	\$ 33	\$ 4,049,438
Debt Service	559,168	1,089,106	1,135,044	-	513,230	1,181,180	1,177,133	-	517,277
Retirement/Severance Bond Debt Service	104,714	278,295	261,396	-	121,613	273,556	261,549	-	133,620
Capital Projects	585,403	1,009,143	1,550,900	-	43,646	1,045,234	918,210	-	170,670
School Transportation	126,795	630,414	602,907	-	154,302	653,192	655,965	-	151,529
School Bus Replacement	30,791	92,873	-	-	123,664	67,635	-	-	191,299
Construction	48,859	-	72,043	67,108	43,924	-	43,924	-	-
School Lunch	338,947	1,162,731	1,056,481	-	445,197	1,159,853	1,138,455	-	466,595
Textbook Rental	5,151	81,730	79,836	-	7,045	54,929	36,501	-	25,473
County Special Education Cooperative	(93,226)	442,005	418,914	-	(70,135)	379,641	344,306	-	(34,800)
Cooperative Special Education Programs	1,725	2,608	1,488	-	2,845	2,744	654	-	4,935
Readiness Program	6,103	121,014	125,816	-	1,301	113,025	85,944	-	28,382
Ole Miss Tutoring	13,147	50,045	22,064	-	41,128	5,838	1,509	-	45,457
Alternative Education	-	10,241	10,241	-	-	13,599	13,599	-	-
School Intervention and Career Counseling	-	15,000	16,746	-	(1,746)	15,000	13,254	-	-
Robert Rex Griffin Estate	66,367	-	7,267	-	59,100	-	59,100	-	-
Recycle Grant RJB	309	-	309	-	-	-	-	-	-
POS Behavior Reward/MS	516	-	-	-	516	-	-	-	516
High Ability Grant 2010-11	22,950	-	22,950	-	-	-	-	-	-
High Ability Grant 2011-12	-	33,717	30,912	-	2,805	-	2,805	-	-
High Ability 2012-13	-	-	-	-	-	33,909	25,294	-	8,615
Teacher Quality Improvement Program	-	-	-	-	-	14,992	14,992	-	-
Non-English Speaking Programs P.L. 273-1999	802	-	-	-	802	-	802	-	-
State Connectivity 2010-11	23,904	3,288	15,609	-	11,583	19,956	19,717	-	11,822
Technology Grants [IC 20-40-15]	1,600	-	1,600	-	-	-	-	-	-
MHS Performance Award	20,000	-	20,000	-	-	-	-	-	-
Indiana School Academic Improvement Program (ISAIP)	-	36,559	36,559	-	-	-	-	-	-
Title I 2011-12	-	315,631	343,532	-	(27,901)	46,524	18,623	-	-
Title I 2010-11	(31,834)	62,715	30,881	-	-	-	-	-	-
Title I 2012-13	-	-	-	-	-	494,093	529,909	-	(35,816)
Title I Part D 2010-11	(953)	1,553	600	-	-	-	-	-	-
Title I Part D 2011-12	-	6,007	8,914	-	(2,907)	11,745	8,838	-	-
Title I Part D 2012-13	-	-	-	-	-	3,184	3,184	-	-
Special Education 2010-11	(29,894)	191,706	161,812	-	-	-	-	-	-
Special Education 2012-13	-	-	-	-	-	332,285	415,073	-	(82,788)
Special Education 2011-12	-	374,429	413,194	-	(38,765)	174,001	135,236	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	70,000	70,000	-	-
Special Education Improvement Award	-	-	-	-	-	-	45,663	-	(45,663)
Coop IDEA Passthrough	-	1,640,378	1,640,378	-	-	880,857	880,857	-	-
Part B Passthrough 2010-11	-	676,292	676,292	-	-	-	-	-	-
Special Education Passthrough 2012-13	-	-	-	-	-	1,826,681	1,640,649	-	186,032
Federal Assistance Educational Preschool Handicapped	-	-	-	-	-	56,323	52,206	-	4,117
Preschool Pass-Through 2008-09	-	36,636	36,636	-	-	-	-	-	-
Preschool Pass-Through 2010-11	-	50,549	50,549	-	-	-	-	-	-
Preschool Pass-Through 2011-12	-	25,724	25,724	-	-	51,379	51,379	-	-
School Technology	-	-	-	-	-	49,481	73,942	-	(24,461)
Rural Schools Achievement	(7,144)	16,262	9,118	-	-	-	-	-	-
Title III Language Instruction	-	34,141	34,141	-	-	-	-	-	-
Title I Grants to LEAs	(4,461)	19,544	15,083	-	-	-	-	-	-
Special Education Part B	(10,565)	658,422	647,857	-	-	-	-	-	-
Special Education Part B Preschool	2,666	18,029	20,695	-	-	-	-	-	-
Education Jobs	(308,500)	391,521	83,021	-	-	-	-	-	-
Payroll	83,398	11,383,267	11,384,613	-	82,052	11,800,234	11,657,599	-	224,687
Totals	\$ 5,204,717	\$ 35,774,607	\$ 35,489,121	\$ 67,108	\$ 5,557,311	\$ 36,383,669	\$ 35,944,077	\$ 33	\$ 5,996,936

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

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL 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.

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.



MISSISSINewa COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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 established to account for reimbursable grants. Reimbursements for expenditures made by the School Corporation were not received by June 30.

**Note 8. Restatement**

For the year ended June 30, 2012, a change has been made to a beginning balance of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents the restated beginning balance.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Fund Name	Balance as of June 30, 2011	New Fund	Balance as of July 1, 2011
Payroll	\$ -	\$ 83,398	\$ 83,398

**Note 9. Holding Corporation**

The School Corporation has entered into a capital lease with Mississinewa Middle 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 fiscal years ending June 30, 2012, and June 30, 2013, totaled \$1,500 and \$10,118, 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 3,647,979	\$ 559,168	\$ 104,714	\$ 585,403	\$ 126,795	\$ 30,791	\$ 48,859	\$ 338,947	\$ 5,151
Receipts:									
Local sources	248,368	1,089,106	278,295	1,009,143	625,540	92,873	-	354,147	52,050
Intermediate sources	934	-	-	-	-	-	-	-	-
State sources	14,562,843	-	-	-	-	-	-	10,154	29,680
Federal sources	-	-	-	-	-	-	-	798,430	-
Other	887	-	-	-	4,874	-	-	-	-
Total receipts	14,813,032	1,089,106	278,295	1,009,143	630,414	92,873	-	1,162,731	81,730
Disbursements:									
Current:									
Instruction	9,562,158	-	-	-	-	-	-	-	-
Support services	4,696,707	-	-	501,522	602,907	-	-	210	79,836
Noninstructional services	158,134	-	-	-	-	-	-	1,056,271	-
Facilities acquisition and construction	-	-	-	1,049,378	-	-	72,043	-	-
Debt services	-	1,135,044	261,396	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,416,999	1,135,044	261,396	1,550,900	602,907	-	72,043	1,056,481	79,836
Excess (deficiency) of receipts over disbursements	396,033	(45,938)	16,899	(541,757)	27,507	92,873	(72,043)	106,250	1,894
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	67,108	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	396,033	(45,938)	16,899	(541,757)	27,507	92,873	(4,935)	106,250	1,894
Cash and investments - ending	\$ 4,044,012	\$ 513,230	\$ 121,613	\$ 43,646	\$ 154,302	\$ 123,664	\$ 43,924	\$ 445,197	\$ 7,045

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

	County Special Education Cooperative	Cooperative Special Education Programs	Readiness Program	Ole Miss Tutoring	Alternative Education	School Intervention and Career Counseling	Robert Rex Griffin Estate	Recycle Grant RJB	POS Behavior Reward/MS
Cash and investments - beginning	\$ (93,226)	\$ 1,725	\$ 6,103	\$ 13,147	\$ -	\$ -	\$ 66,367	\$ 309	\$ 516
Receipts:									
Local sources	441,991	18	121,014	50,045	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	2,590	-	-	10,241	15,000	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	14	-	-	-	-	-	-	-	-
Total receipts	442,005	2,608	121,014	50,045	10,241	15,000	-	-	-
Disbursements:									
Current:									
Instruction	86,275	1,488	124,920	22,064	-	-	-	309	-
Support services	332,639	-	896	-	10,241	16,746	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	7,267	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	418,914	1,488	125,816	22,064	10,241	16,746	7,267	309	-
Excess (deficiency) of receipts over disbursements	23,091	1,120	(4,802)	27,981	-	(1,746)	(7,267)	(309)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,091	1,120	(4,802)	27,981	-	(1,746)	(7,267)	(309)	-
Cash and investments - ending	\$ (70,135)	\$ 2,845	\$ 1,301	\$ 41,128	\$ -	\$ (1,746)	\$ 59,100	\$ -	\$ 516

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

	High Ability Grant 2010-11	High Ability Grant 2011-12	High Ability 2012-13	Teacher Quality Improvement Program	Non-English Speaking Programs P.L. 273-1999	State Connectivity 2010-11	Technology Grants [IC 20-40-15]	MHS Performance Award	Indiana School Academic Improvement Program (ISAIP)
Cash and investments - beginning	\$ 22,950	\$ -	\$ -	\$ -	\$ 802	\$ 23,904	\$ 1,600	\$ 20,000	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	33,717	-	-	-	3,288	-	-	36,559
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	33,717	-	-	-	3,288	-	-	36,559
Disbursements:									
Current:									
Instruction	22,950	30,912	-	-	-	-	-	-	-
Support services	-	-	-	-	-	15,609	1,600	20,000	36,559
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	22,950	30,912	-	-	-	15,609	1,600	20,000	36,559
Excess (deficiency) of receipts over disbursements	(22,950)	2,805	-	-	-	(12,321)	(1,600)	(20,000)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,950)	2,805	-	-	-	(12,321)	(1,600)	(20,000)	-
Cash and investments - ending	\$ -	\$ 2,805	\$ -	\$ -	\$ 802	\$ 11,583	\$ -	\$ -	\$ -



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

	Title I 2011-12	Title I 2010-11	Title I 2012-13	Title I Part D 2010-11	Title I Part D 2011-12	Title I Part D 2012-13	Special Education 2010-11	Special Education 2012-13	Special Education 2011-12
Cash and investments - beginning	\$ -	\$ (31,834)	\$ -	\$ (953)	\$ -	\$ -	\$ (29,894)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	191,706	-	374,429
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	315,631	62,715	-	1,553	6,007	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	315,631	62,715	-	1,553	6,007	-	191,706	-	374,429
Disbursements:									
Current:									
Instruction	286,736	20,470	-	-	6,683	-	57,435	-	285,630
Support services	56,660	10,411	-	600	2,231	-	104,377	-	127,564
Noninstructional services	136	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	343,532	30,881	-	600	8,914	-	161,812	-	413,194
Excess (deficiency) of receipts over disbursements	(27,901)	31,834	-	953	(2,907)	-	29,894	-	(38,765)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,901)	31,834	-	953	(2,907)	-	29,894	-	(38,765)
Cash and investments - ending	\$ (27,901)	\$ -	\$ -	\$ -	\$ (2,907)	\$ -	\$ -	\$ -	\$ (38,765)

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

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Award	Coop IDEA Pass-Through	Part B Pass-Through 2010-11	Special Education Pass-Through 2012-13	Federal Assistance Educational Preschool Handicapped	Preschool Pass-Through 2008-09	Preschool Pass-Through 2010-11	Preschool Pass-Through 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	1,640,378	676,292	-	-	36,636	50,549	25,724
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,640,378	676,292	-	-	36,636	50,549	25,724
Disbursements:									
Current:									
Instruction	-	-	1,640,378	676,292	-	-	36,636	50,549	25,724
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,640,378	676,292	-	-	36,636	50,549	25,724
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	School Technology	Rural Schools Achievement	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ (7,144)	\$ -	\$ (4,461)	\$ (10,565)	\$ 2,666	\$ (308,500)	\$ 83,398	\$ 5,204,717
Receipts:									
Local sources	-	-	-	-	103,730	18,029	-	-	5,050,484
Intermediate sources	-	-	-	-	-	-	-	-	934
State sources	-	-	-	-	-	-	-	-	14,704,072
Federal sources	-	16,262	34,141	19,544	554,692	-	391,521	-	4,630,075
Other	-	-	-	-	-	-	-	11,383,267	11,389,042
Total receipts	-	16,262	34,141	19,544	658,422	18,029	391,521	11,383,267	35,774,607
Disbursements:									
Current:									
Instruction	-	9,118	34,141	10,141	574,817	-	32,500	-	13,598,326
Support services	-	-	-	4,942	16,244	20,695	50,521	-	6,709,717
Noninstructional services	-	-	-	-	-	-	-	-	1,214,541
Facilities acquisition and construction	-	-	-	-	56,796	-	-	-	1,185,484
Debt services	-	-	-	-	-	-	-	-	1,396,440
Nonprogrammed charges	-	-	-	-	-	-	-	11,384,613	11,384,613
Total disbursements	-	9,118	34,141	15,083	647,857	20,695	83,021	11,384,613	35,489,121
Excess (deficiency) of receipts over disbursements	-	7,144	-	4,461	10,565	(2,666)	308,500	(1,346)	285,486
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	67,108
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,144	-	4,461	10,565	(2,666)	308,500	(1,346)	352,594
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,052	\$ 5,557,311

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 4,044,012	\$ 513,230	\$ 121,613	\$ 43,646	\$ 154,302	\$ 123,664	\$ 43,924	\$ 445,197	\$ 7,045
Receipts:									
Local sources	147,981	1,181,180	273,556	1,031,656	651,676	67,635	-	335,016	22,658
Intermediate sources	2	-	-	-	-	-	-	-	-
State sources	15,389,592	-	-	-	-	-	-	10,291	32,271
Federal sources	-	-	-	-	-	-	-	814,546	-
Other	15,024	-	-	13,578	1,516	-	-	-	-
Total receipts	15,552,599	1,181,180	273,556	1,045,234	653,192	67,635	-	1,159,853	54,929
Disbursements:									
Current:									
Instruction	9,854,528	-	-	-	-	-	-	-	-
Support services	5,228,885	-	-	420,447	655,965	-	-	185	36,501
Noninstructional services	226,611	-	-	-	-	-	-	1,138,270	-
Facilities acquisition and construction	237,182	-	-	497,763	-	-	43,924	-	-
Debt services	-	1,177,133	261,549	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,547,206	1,177,133	261,549	918,210	655,965	-	43,924	1,138,455	36,501
Excess (deficiency) of receipts over disbursements	5,393	4,047	12,007	127,024	(2,773)	67,635	(43,924)	21,398	18,428
Other financing sources (uses):									
Sale of capital assets	33	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,426	4,047	12,007	127,024	(2,773)	67,635	(43,924)	21,398	18,428
Cash and investments - ending	\$ 4,049,438	\$ 517,277	\$ 133,620	\$ 170,670	\$ 151,529	\$ 191,299	\$ -	\$ 466,595	\$ 25,473

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

	County Special Education Cooperative	Cooperative Special Education Programs	Readiness Program	Ole Miss Tutoring	Alternative Education	School Intervention and Career Counseling	Robert Rex Griffin Estate	Recycle Grant RJB	POS Behavior Reward/MS
Cash and investments - beginning	\$ (70,135)	\$ 2,845	\$ 1,301	\$ 41,128	\$ -	\$ (1,746)	\$ 59,100	\$ -	\$ 516
Receipts:									
Local sources	342,805	-	113,025	5,838	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	2,744	-	-	13,599	15,000	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	36,836	-	-	-	-	-	-	-	-
Total receipts	379,641	2,744	113,025	5,838	13,599	15,000	-	-	-
Disbursements:									
Current:									
Instruction	56,755	654	85,596	1,509	-	-	-	-	-
Support services	287,551	-	348	-	13,599	13,254	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	59,100	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	344,306	654	85,944	1,509	13,599	13,254	59,100	-	-
Excess (deficiency) of receipts over disbursements	35,335	2,090	27,081	4,329	-	1,746	(59,100)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,335	2,090	27,081	4,329	-	1,746	(59,100)	-	-
Cash and investments - ending	\$ (34,800)	\$ 4,935	\$ 28,382	\$ 45,457	\$ -	\$ -	\$ -	\$ -	\$ 516

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

	High Ability Grant 2010-11	High Ability Grant 2011-12	High Ability 2012-13	Teacher Quality Improvement Program	Non-English Speaking Programs P.L. 273-1999	State Connectivity 2010-11	Technology Grants [IC 20-40-15]	MHS Performance Award	Indiana School Academic Improvement Program (ISAIP)
Cash and investments - beginning	\$ -	\$ 2,805	\$ -	\$ -	\$ 802	\$ 11,583	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	33,909	14,992	-	19,956	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	33,909	14,992	-	19,956	-	-	-
Disbursements:									
Current:									
Instruction	-	2,805	25,294	14,992	802	-	-	-	-
Support services	-	-	-	-	-	19,717	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,805	25,294	14,992	802	19,717	-	-	-
Excess (deficiency) of receipts over disbursements	-	(2,805)	8,615	-	(802)	239	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,805)	8,615	-	(802)	239	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 8,615	\$ -	\$ -	\$ 11,822	\$ -	\$ -	\$ -

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

	Title I 2011-12	Title I 2010-11	Title I 2012-13	Title I Part D 2010-11	Title I Part D 2011-12	Title I Part D 2012-13	Special Education 2010-11	Special Education 2012-13	Special Education 2011-12
Cash and investments - beginning	\$ (27,901)	\$ -	\$ -	\$ -	\$ (2,907)	\$ -	\$ -	\$ -	\$ (38,765)
Receipts:									
Local sources	-	-	-	-	-	-	-	332,285	174,001
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	46,524	-	494,093	-	11,745	3,184	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	46,524	-	494,093	-	11,745	3,184	-	332,285	174,001
Disbursements:									
Current:									
Instruction	16,046	-	482,630	-	8,838	3,184	-	275,661	71,782
Support services	2,577	-	47,279	-	-	-	-	139,412	63,454
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	18,623	-	529,909	-	8,838	3,184	-	415,073	135,236
Excess (deficiency) of receipts over disbursements	27,901	-	(35,816)	-	2,907	-	-	(82,788)	38,765
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,901	-	(35,816)	-	2,907	-	-	(82,788)	38,765
Cash and investments - ending	\$ -	\$ -	\$ (35,816)	\$ -	\$ -	\$ -	\$ -	\$ (82,788)	\$ -

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

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Improvement Award	Coop IDEA Pass-Through	Part B Pass-Through 2010-11	Special Education Pass-Through 2012-13	Federal Assistance Educational Preschool Handicapped	Preschool Pass-Through 2008-09	Preschool Pass-Through 2010-11	Preschool Pass-Through 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	70,000	-	880,857	-	1,826,681	56,323	-	-	51,379
Other	-	-	-	-	-	-	-	-	-
Total receipts	70,000	-	880,857	-	1,826,681	56,323	-	-	51,379
Disbursements:									
Current:									
Instruction	-	45,663	880,857	-	1,640,649	52,206	-	-	51,379
Support services	70,000	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	70,000	45,663	880,857	-	1,640,649	52,206	-	-	51,379
Excess (deficiency) of receipts over disbursements	-	(45,663)	-	-	186,032	4,117	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(45,663)	-	-	186,032	4,117	-	-	-
Cash and investments - ending	\$ -	\$ (45,663)	\$ -	\$ -	\$ 186,032	\$ 4,117	\$ -	\$ -	\$ -



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

	School Technology	Rural Schools Achievement	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	82,052	\$ 5,557,311
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,679,312
Intermediate sources	-	-	-	-	-	-	-	-	2
State sources	-	-	-	-	-	-	-	-	15,532,354
Federal sources	49,481	-	-	-	-	-	-	-	4,304,813
Other	-	-	-	-	-	-	-	11,800,234	11,867,188
Total receipts	49,481	-	-	-	-	-	-	11,800,234	36,383,669
Disbursements:									
Current:									
Instruction	73,942	-	-	-	-	-	-	-	13,645,772
Support services	-	-	-	-	-	-	-	-	6,999,174
Noninstructional services	-	-	-	-	-	-	-	-	1,364,881
Facilities acquisition and construction	-	-	-	-	-	-	-	-	837,969
Debt services	-	-	-	-	-	-	-	-	1,438,682
Nonprogrammed charges	-	-	-	-	-	-	-	11,657,599	11,657,599
Total disbursements	73,942	-	-	-	-	-	-	11,657,599	35,944,077
Excess (deficiency) of receipts over disbursements	(24,461)	-	-	-	-	-	-	142,635	439,592
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	33
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,461)	-	-	-	-	-	-	142,635	439,625
Cash and investments - ending	\$ (24,461)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	224,687	\$ 5,996,936

MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 June 30, 2013

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 310,724</u>	<u>\$ 45,392</u>

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Mississinewa Middle School Building Corporation	Renovation of RJ Baskett Middle School	\$ 20,000	06-30-11	06-30-26

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
Notes and loans payable	Common School Fund Loan - Northview	\$ 4,908,429
	Common School Fund Loan - Westview	\$ 449,400
	Common School Fund Loan - High School	4,167,566
	Energy savings	1,300,000
		250,000
		451,618
		118,591
General obligation bonds	Pension bonds	500,000
		265,945
Totals		\$ 11,327,613
		\$ 1,465,505

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MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
 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	\$ 129,050
Buildings	29,275,054
Improvements other than buildings	1,467,371
Machinery and equipment	<u>2,194,661</u>
Total capital assets	<u><u>\$ 33,066,136</u></u>

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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](http://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 MISSISSINEWA COMMUNITY  
SCHOOL CORPORATION, GRANT COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

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


***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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 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, CPA  
State Examiner

March 4, 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.

MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
 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
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 11-12 FY 12-13	\$ 158,696 -	\$ - 149,336
Total - School Breakfast Program				158,696	149,336
National School Lunch Program	Indiana Department of Education	10.555	FY 11-12 FY 12-13	701,608 -	- 723,949
Total - National School Lunch Program				701,608	723,949
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 11-12 FY 12-13	15,804 -	- 25,691
Total - Summer Food Service Program for Children				15,804	25,691
Total - Child Nutrition Cluster				876,108	898,976
Total - Department of Agriculture				876,108	898,976
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	11-2855 12-2855 13-2855	31,481 321,638 -	- 58,269 497,277
Total - Title I Grants to Local Educational Agencies				353,119	555,546
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389	10-2855	10,113	-
Total - Title I, Part A Cluster				363,232	555,546

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

MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
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
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	14211-021-PN01	646,398	-
			14212-021-PN01	1,640,378	880,857
			14213-021-PN01	-	1,826,681
			A58-2-12DL-0140	36,559	-
			A58-3-13DL-0059	-	70,000
Total - Special Education - Grants to States				<u>2,323,335</u>	<u>2,777,538</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173			
			45711-021-PN01	50,549	-
			45712-021-PN01	62,360	51,379
			45713-021-PN01	-	56,323
Total - Special Education - Preschool Grants				<u>112,909</u>	<u>107,702</u>
ARRA - Special Education Grants to States, Recovery Act	Indiana Department of Education	84.391			
			33310-021-SN01	544,451	-
Total - Special Education Cluster (IDEA)				<u>2,980,695</u>	<u>2,885,240</u>
Rural Education	Indiana Department of Education	84.358	11-2855	34,141	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	10-2855	9,118	-
			11-2855	-	49,481
Total - Improving Teacher Quality State Grants				<u>9,118</u>	<u>49,481</u>
Education Jobs Fund	Indiana Department of Education	84.410			
			FY-11-12	83,021	-
Total - Department of Education				<u>3,470,207</u>	<u>3,490,267</u>
Total federal awards expended				<u>\$ 4,346,315</u>	<u>\$ 4,389,243</u>

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

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

**Note 1. Basis of Presentation**

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

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

**Note 2. 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	Year Ended June 30, 2012	Year Ended June 30, 2013
Special Education - Grants to States	84.027	\$ 1,750,534	\$ 2,201,252
Special Education - Preschool Grants	84.173	85,428	79,029
ARRA - Special Education Grants to States, Recovery Act	84.391	450,962	-

**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	Year Ended June 30, 2012	Year Ended June 30, 2013
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 14,329	\$ 14,438
National School Lunch Program	10.555	63,348	69,992
Totals for cluster		<u>\$ 77,677</u>	<u>\$ 84,430</u>

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	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 Program:

\_\_\_\_\_  
Name of Federal Program or Cluster

Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee?	no
--	----

**Section II – Financial Statement Findings**

**FINDING 2013-001 - CONTROLS OVER PREPARING THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The School Corporation did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

MISSISSINewa COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted that \$4,015,914 in Special Education grants were incorrectly reported and two other grants totaling \$92,740 were omitted from the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.



MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

***Section III – Federal Award Findings and Questioned Costs***

No matters are reportable.

MISSISSINEWA COMMUNITY SCHOOLS  
ADMINISTRATION OFFICE

OFFICE OF  
MICHAEL A. POWELL, SUPERINTENDENT  
TAB H. MCKENZIE, ASSISTANT SUPERINTENDENT  
JILL S. MORPHEW, DIRECTOR OF BUSINESS AFFAIRS

424 EAST SOUTH "A" STREET  
GAS CITY, INDIANA 46933  
PHONE (765) 674-8528  
FAX (765) 674-8529

March 4, 2014

CORRECTIVE ACTION PLAN

Finding for July 1, 2011 through June 30, 2013 – Controls over Preparing the Schedule of Expenditures of Federal Awards

Audit contact person: Jill Morphew  
Title of contact person: Director of Business Affairs  
Phone Number: 765-674-8528  
Expected Completion Date: ASAP

During the preparation of the SEFA report for the audit period stated above, two federal grants were inadvertently omitted and another was incorrectly reported. Also, further review needs to be given to how the lunch and breakfast expenses are listed. I will do my best to assure this will not happen again when preparing the SEFA report. I will prepare the SEFA report and our payroll manager, Kathy Edwards, will double check the report for accuracy.

Sincerely,



Jill Morphew  
Director of Business Affairs

MISSISSINEWA COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2014, with Jill S. Morphew, Treasurer, and Michael A. Powell, Superintendent of Schools.