

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
HARRISON COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
02/27/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon J. Hanen Jo Ann Burson	07-01-09 to 08-31-10 09-01-10 to 06-30-12
Superintendent of Schools	Dr. Randy C. Barret (Interim) John G. Roeder (Vacant) D. John Thomas	07-01-09 to 12-31-09 01-01-10 to 08-17-11 08-18-11 to 09-30-11 10-01-11 to 06-30-16
President of the Board of School Trustees	Gary Bryne Veronica Battista	07-01-09 to 06-30-10 07-01-10 to 12-31-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE NORTH HARRISON COMMUNITY SCHOOL
CORPORATION, HARRISON COUNTY, INDIANA

We have audited the accompanying financial statement of the North Harrison Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. 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 includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

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 years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 8, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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 Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, Board of School Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 8, 2012



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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 NORTH HARRISON COMMUNITY SCHOOL
CORPORATION, HARRISON COUNTY, INDIANA

We have audited the financial statement of the North Harrison Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

This report is intended solely for the information and use of the School Corporation's management, Board of School Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 8, 2012

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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NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 4,072,336	\$ 15,939,537	\$ 16,263,740	\$ 1,106,017	\$ 4,854,150	\$ 13,432,095	\$ 16,553,731	\$ -	\$ 1,732,514
Debt Service	(562,057)	3,381,837	2,555,343	(1,790)	262,647	2,992,822	2,456,141	(10,801)	788,527
Retirement/Severance Bond Debt Service	(53,667)	444,399	294,793	-	95,939	147,097	295,921	-	(52,885)
Capital Projects	(560,573)	3,398,110	922,702	(907,119)	1,007,716	1,788,058	850,962	-	1,944,812
School Transportation	(176,497)	1,497,407	803,961	13,480	530,429	1,043,016	929,881	-	643,564
School Bus Replacement	(32,404)	1,008,741	262,035	(92,881)	621,421	651,372	506,706	-	766,087
Special Education Preschool	80,301	37,125	11,484	(105,942)	-	-	-	-	-
Rainy Day	4,028,159	-	3,918,052	-	110,107	-	24,940	-	85,167
Retirement/Severance Bond	2,672,050	3,818	7,174	(126,960)	2,541,734	4,111	1,855,234	-	690,611
Post-Retirement/Severance Future Benefits	1,330,923	7,053	400,205	126,960	1,064,731	1,765	437,644	-	628,852
Construction	14,380	-	11,246	-	3,134	2,853	5,987	-	-
Construction Elementary	6,962	346,931	353,807	-	86	6,464	6,550	-	-
School Lunch	354,946	1,050,284	993,266	-	411,964	1,024,707	967,332	-	469,339
Textbook Rental	83,614	277,792	264,095	1,790	99,101	262,110	277,520	10,801	94,492
Levy Excess	-	-	-	-	-	23,602	-	-	23,602
Child Care Program	-	-	-	-	-	24,224	28,893	-	(4,669)
Educational License Plates	4,950	469	-	-	5,419	450	-	-	5,869
Extra-Curricular Activities	-	35,465	35,465	-	-	38,736	38,408	-	328
Scholarships and Awards	3,000	1,000	5,000	1,000	-	-	-	-	-
Arts Council	900	-	-	-	900	-	-	-	900
Harrison County Substance Abuse Prevention Coalition	-	-	-	-	-	3,000	-	-	3,000
HCCF Spring 2008	(3,467)	31,347	27,880	-	-	-	-	-	-
HCCF Fall 2009	-	5,958	5,958	-	-	-	-	-	-
HCCF 2010	-	11,498	16,102	-	(4,604)	64,791	61,995	-	(1,808)
HCCF Library Fund MS	-	-	-	-	-	4,799	27,979	-	(23,180)
Riverboat Full Day Kindergarten	-	174,999	269,859	135,472	40,612	169,998	210,610	-	-
Riverboat FY 2004-05	9,600	-	9,600	-	-	-	-	-	-
Riverboat FY 2005-06	12,538	-	12,538	-	-	-	-	-	-
Riverboat FY 2006-07	132,896	-	56,807	(55,565)	20,524	-	20,523	-	1
Riverboat FY 2007-08	100,144	-	20,237	(79,907)	-	-	-	-	-
Riverboat FY 2008-09	55,273	-	55,273	-	-	-	-	-	-
Riverboat FY 2009-10	591,114	-	526,120	-	64,994	-	64,994	-	-
Riverboat FY 2010-11	-	-	-	-	-	764,920	585,590	-	179,330
High Ability Grant FY 2008-09	30,906	-	30,906	-	-	-	-	-	-
High Ability Grant FY 2009-10	-	35,087	25,759	-	9,328	-	9,328	-	-
High Ability Grant FY 2010-11	-	-	-	-	-	34,560	16,308	-	18,252
Scholarships and Awards	-	1,000	-	-	1,000	-	-	-	1,000
Metro United Way	-	1,000	1,000	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	2,526	-	447	-	2,079	-	-	-	2,079
School Technology	7,514	10,379	10,028	-	7,865	23,825	15,081	-	16,609
21st Century Scholars	-	2,097	643	-	1,454	2,075	1,327	-	2,202
Title I FY 2008-09	71,328	59,250	130,578	-	-	-	-	-	-
Title I FY 2009-10	-	343,921	292,958	-	50,963	943	51,906	-	-
Title I FY 2010-11	-	-	-	-	-	292,670	286,288	-	6,382
Innovative Education Program Strategies Title V (Part A)	1,443	-	1,443	-	-	-	-	-	-
Drug Free Schools FY 2007-08	1,508	-	1,508	-	-	-	-	-	-
Drug Free Schools FY 2008-09	-	6,747	3,288	-	3,459	-	3,459	-	-
Drug Free Schools FY 2009-10	-	-	-	-	-	1,979	1,643	-	336
Improving Teaching Quality, No Child Left, Title II, Part A	-	109,386	96,041	-	13,345	88,598	104,809	-	(2,866)
Fiscal Stabilization - Education	507,965	465,727	973,692	-	-	-	-	-	-
Title I - Grants to LEAs	-	103,135	79,719	-	23,416	70,266	93,450	-	232
Education Jobs	-	-	-	-	-	76,460	81,807	-	(5,347)
Totals	\$ 12,788,611	\$ 28,791,499	\$ 29,750,752	\$ 14,555	\$ 11,843,913	\$ 23,042,366	\$ 26,872,947	\$ -	\$ 8,013,332

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

NORTH HARRISON 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 (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 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.

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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:

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

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.

NORTH HARRISON 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.

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

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 prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

NORTH HARRISON 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, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 4,072,336	\$ (562,057)	\$ (53,667)	\$ (560,573)	\$ (176,497)	\$ (32,404)	\$ 80,301	\$ 4,028,159	\$ 2,672,050
Receipts:									
Local sources	104,804	3,381,837	444,399	3,398,110	1,497,407	1,008,741	-	-	3,818
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	13,329,310	-	-	-	-	-	37,125	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	2,500,000	-	-	-	-	-	-	-	-
Other	5,423	-	-	-	-	-	-	-	-
Total receipts	15,939,537	3,381,837	444,399	3,398,110	1,497,407	1,008,741	37,125	-	3,818
Disbursements:									
Current:									
Instruction	8,426,362	-	-	-	-	-	11,484	-	-
Support services	3,415,917	-	-	832,717	803,961	262,035	-	-	7,174
Noninstructional services	109,499	-	-	-	-	-	-	-	-
Facilities acquisition and construction	11,962	-	-	89,985	-	-	-	3,918,052	-
Debt services	4,300,000	2,555,343	294,793	-	-	-	-	-	-
Total disbursements	16,263,740	2,555,343	294,793	922,702	803,961	262,035	11,484	3,918,052	7,174
Excess (deficiency) of receipts over disbursements	(324,203)	826,494	149,606	2,475,408	693,446	746,706	25,641	(3,918,052)	(3,356)
Other financing sources (uses):									
Sale of capital assets	75	-	-	-	13,480	-	-	-	-
Transfers in	1,105,942	-	-	-	-	-	-	1,000,000	-
Transfers out	-	(1,790)	-	(907,119)	-	(92,881)	(105,942)	(1,000,000)	(126,960)
Total other financing sources (uses)	1,106,017	(1,790)	-	(907,119)	13,480	(92,881)	(105,942)	-	(126,960)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	781,814	824,704	149,606	1,568,289	706,926	653,825	(80,301)	(3,918,052)	(130,316)
Cash and investments - ending	\$ 4,854,150	\$ 262,647	\$ 95,939	\$ 1,007,716	\$ 530,429	\$ 621,421	\$ -	\$ 110,107	\$ 2,541,734

NORTH HARRISON 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, 2010
 (Continued)

	Post Retirement/ Severance Future Benefits	Construction	Construction Elementary	School Lunch	Textbook Rental	Educational License Plates	Extra- Curricular Activities	Scholarships and Awards	Arts Council
Cash and investments - beginning	\$ 1,330,923	\$ 14,380	\$ 6,962	\$ 354,946	\$ 83,614	\$ 4,950	\$ -	\$ 3,000	\$ 900
Receipts:									
Local sources	7,053	-	-	524,867	208,792	-	35,465	-	-
Intermediate sources	-	-	-	-	-	469	-	-	-
State sources	-	-	-	18,428	68,850	-	-	1,000	-
Federal sources	-	-	-	506,554	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	346,931	435	150	-	-	-	-
Total receipts	7,053	-	346,931	1,050,284	277,792	469	35,465	1,000	-
Disbursements:									
Current:									
Instruction	158,537	-	-	-	-	-	13,220	-	-
Support services	241,668	-	510	-	264,095	-	22,245	5,000	-
Noninstructional services	-	-	-	956,084	-	-	-	-	-
Facilities acquisition and construction	-	11,246	353,297	37,086	-	-	-	-	-
Debt services	-	-	-	96	-	-	-	-	-
Total disbursements	400,205	11,246	353,807	993,266	264,095	-	35,465	5,000	-
Excess (deficiency) of receipts over disbursements	(393,152)	(11,246)	(6,876)	57,018	13,697	469	-	(4,000)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	1,000	-
Transfers in	126,960	-	-	-	1,790	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	126,960	-	-	-	1,790	-	-	1,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(266,192)	(11,246)	(6,876)	57,018	15,487	469	-	(3,000)	-
Cash and investments - ending	\$ 1,064,731	\$ 3,134	\$ 86	\$ 411,964	\$ 99,101	\$ 5,419	\$ -	\$ -	\$ 900

NORTH HARRISON 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, 2010
 (Continued)

	HCCF Spring 2008	HCCF Fall 2009	HCCF 2010	Riverboat Full Day Kindergarten	Riverboat FY 2004-05	Riverboat FY 2005-06	Riverboat FY 2006-07	Riverboat FY 2007-08	Riverboat FY 2008-09
Cash and investments - beginning	\$ (3,467)	\$ -	\$ -	\$ -	\$ 9,600	\$ 12,538	\$ 132,896	\$ 100,144	\$ 55,273
Receipts:									
Local sources	31,347	5,958	11,498	174,999	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>31,347</u>	<u>5,958</u>	<u>11,498</u>	<u>174,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	3,073	-	4,604	269,859	-	-	1,212	8,682	3,695
Support services	24,807	-	-	-	9,600	12,538	35,974	8,305	43,272
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	5,958	11,498	-	-	-	19,621	3,250	8,306
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	<u>27,880</u>	<u>5,958</u>	<u>16,102</u>	<u>269,859</u>	<u>9,600</u>	<u>12,538</u>	<u>56,807</u>	<u>20,237</u>	<u>55,273</u>
Excess (deficiency) of receipts over disbursements	<u>3,467</u>	<u>-</u>	<u>(4,604)</u>	<u>(94,860)</u>	<u>(9,600)</u>	<u>(12,538)</u>	<u>(56,807)</u>	<u>(20,237)</u>	<u>(55,273)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	135,472	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(55,565)	(79,907)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,472</u>	<u>-</u>	<u>-</u>	<u>(55,565)</u>	<u>(79,907)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,467</u>	<u>-</u>	<u>(4,604)</u>	<u>40,612</u>	<u>(9,600)</u>	<u>(12,538)</u>	<u>(112,372)</u>	<u>(100,144)</u>	<u>(55,273)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,604)</u>	<u>\$ 40,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,524</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH HARRISON 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, 2010
 (Continued)

	Riverboat FY 2009-10	High Ability Grant FY 2008-09	High Ability Grant FY 2009-10	Scholarships and Awards	Metro United Way	Non-English Speaking Programs P.L. 273-1999	School Technology	21st Century Scholars	Title I FY 2008-09
Cash and investments - beginning	\$ 591,114	\$ 30,906	\$ -	\$ -	\$ -	\$ 2,526	\$ 7,514	\$ -	\$ 71,328
Receipts:									
Local sources	-	-	-	1,000	1,000	-	10,379	2,097	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	35,087	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	59,250
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	35,087	1,000	1,000	-	10,379	2,097	59,250
Disbursements:									
Current:									
Instruction	249,656	30,906	3,870	-	1,000	447	-	643	130,578
Support services	18,057	-	3,215	-	-	-	10,028	-	-
Noninstructional services	12,841	-	-	-	-	-	-	-	-
Facilities acquisition and construction	245,566	-	18,674	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Total disbursements	526,120	30,906	25,759	-	1,000	447	10,028	643	130,578
Excess (deficiency) of receipts over disbursements	(526,120)	(30,906)	9,328	1,000	-	(447)	351	1,454	(71,328)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(526,120)	(30,906)	9,328	1,000	-	(447)	351	1,454	(71,328)
Cash and investments - ending	\$ 64,994	\$ -	\$ 9,328	\$ 1,000	\$ -	\$ 2,079	\$ 7,865	\$ 1,454	\$ -

NORTH HARRISON 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, 2010
 (Continued)

	Title I FY 2009-10	Innovative Education Program Strategies Title V (Part A)	Drug Free Schools FY 2007-08	Drug Free Schools FY 2008-09	Improving Teaching Quality No Child Left Title II, Part A	Fiscal Stabilization Education	Title I Grants to LEAs	Totals
Cash and investments - beginning	\$ -	\$ 1,443	\$ 1,508	\$ -	\$ -	\$ 507,965	\$ -	\$ 12,788,611
Receipts:								
Local sources	-	-	-	-	-	-	-	10,853,571
Intermediate sources	-	-	-	-	-	-	-	469
State sources	-	-	-	-	-	-	-	13,489,800
Federal sources	343,921	-	-	6,747	109,386	465,727	103,135	1,594,720
Temporary loans	-	-	-	-	-	-	-	2,500,000
Other	-	-	-	-	-	-	-	352,939
Total receipts	343,921	-	-	6,747	109,386	465,727	103,135	28,791,499
Disbursements:								
Current:								
Instruction	292,958	1,443	-	-	96,041	815,408	74,348	10,598,026
Support services	-	-	1,508	3,288	-	157,591	-	6,183,505
Noninstructional services	-	-	-	-	-	-	5,371	1,083,795
Facilities acquisition and construction	-	-	-	-	-	693	-	4,735,194
Debt services	-	-	-	-	-	-	-	7,150,232
Total disbursements	292,958	1,443	1,508	3,288	96,041	973,692	79,719	29,750,752
Excess (deficiency) of receipts over disbursements	50,963	(1,443)	(1,508)	3,459	13,345	(507,965)	23,416	(959,253)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	14,555
Transfers in	-	-	-	-	-	-	-	2,370,164
Transfers out	-	-	-	-	-	-	-	(2,370,164)
Total other financing sources (uses)	-	-	-	-	-	-	-	14,555
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50,963	(1,443)	(1,508)	3,459	13,345	(507,965)	23,416	(944,698)
Cash and investments - ending	\$ 50,963	\$ -	\$ -	\$ 3,459	\$ 13,345	\$ -	\$ 23,416	\$ 11,843,913

NORTH HARRISON 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, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 4,854,150	\$ 262,647	\$ 95,939	\$ 1,007,716	\$ 530,429	\$ 621,421	\$ 110,107	\$ 2,541,734	\$ 1,064,731	\$ 3,134
Receipts:										
Local sources	148,622	2,992,822	147,097	1,788,058	1,043,016	651,372	-	4,111	1,765	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	13,282,908	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	565	-	-	-	-	-	-	-	-	2,853
Total receipts	<u>13,432,095</u>	<u>2,992,822</u>	<u>147,097</u>	<u>1,788,058</u>	<u>1,043,016</u>	<u>651,372</u>	<u>-</u>	<u>4,111</u>	<u>1,765</u>	<u>2,853</u>
Disbursements:										
Current:										
Instruction	10,025,706	-	-	-	-	-	-	1,852,734	155,653	-
Support services	3,900,271	-	-	744,214	929,881	506,706	-	2,500	281,991	-
Noninstructional services	114,004	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	13,750	-	-	106,748	-	-	24,940	-	-	5,987
Debt services	2,500,000	2,456,141	295,921	-	-	-	-	-	-	-
Total disbursements	<u>16,553,731</u>	<u>2,456,141</u>	<u>295,921</u>	<u>850,962</u>	<u>929,881</u>	<u>506,706</u>	<u>24,940</u>	<u>1,855,234</u>	<u>437,644</u>	<u>5,987</u>
Excess (deficiency) of receipts over disbursements	<u>(3,121,636)</u>	<u>536,681</u>	<u>(148,824)</u>	<u>937,096</u>	<u>113,135</u>	<u>144,666</u>	<u>(24,940)</u>	<u>(1,851,123)</u>	<u>(435,879)</u>	<u>(3,134)</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(10,801)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(10,801)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,121,636)</u>	<u>525,880</u>	<u>(148,824)</u>	<u>937,096</u>	<u>113,135</u>	<u>144,666</u>	<u>(24,940)</u>	<u>(1,851,123)</u>	<u>(435,879)</u>	<u>(3,134)</u>
Cash and investments - ending	<u>\$ 1,732,514</u>	<u>\$ 788,527</u>	<u>\$ (52,885)</u>	<u>\$ 1,944,812</u>	<u>\$ 643,564</u>	<u>\$ 766,087</u>	<u>\$ 85,167</u>	<u>\$ 690,611</u>	<u>\$ 628,852</u>	<u>\$ -</u>

NORTH HARRISON 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, 2011
 (Continued)

	Construction Elementary	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates	Extra- Curricular Activities	Arts Council	Harrison County Substance Abuse Prevention Coalition	HCCF 2010
Cash and investments - beginning	\$ 86	\$ 411,964	\$ 99,101	\$ -	\$ -	\$ 5,419	\$ -	\$ 900	\$ -	\$ (4,604)
Receipts:										
Local sources	-	491,413	205,976	23,602	24,224	-	38,736	-	3,000	64,791
Intermediate sources	-	-	-	-	-	450	-	-	-	-
State sources	-	36,633	55,899	-	-	-	-	-	-	-
Federal sources	-	496,233	-	-	-	-	-	-	-	-
Other	6,464	428	235	-	-	-	-	-	-	-
Total receipts	6,464	1,024,707	262,110	23,602	24,224	450	38,736	-	3,000	64,791
Disbursements:										
Current:										
Instruction	-	-	-	-	28,893	-	18,703	-	-	41,473
Support services	-	4,116	277,520	-	-	-	19,705	-	-	20,522
Noninstructional services	-	955,050	-	-	-	-	-	-	-	-
Facilities acquisition and construction	6,550	7,677	-	-	-	-	-	-	-	-
Debt services	-	489	-	-	-	-	-	-	-	-
Total disbursements	6,550	967,332	277,520	-	28,893	-	38,408	-	-	61,995
Excess (deficiency) of receipts over disbursements	(86)	57,375	(15,410)	23,602	(4,669)	450	328	-	3,000	2,796
Other financing sources (uses):										
Transfers in	-	-	10,801	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	10,801	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(86)	57,375	(4,609)	23,602	(4,669)	450	328	-	3,000	2,796
Cash and investments - ending	\$ -	\$ 469,339	\$ 94,492	\$ 23,602	\$ (4,669)	\$ 5,869	\$ 328	\$ 900	\$ 3,000	\$ (1,808)

NORTH HARRISON 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, 2011
 (Continued)

	HCCF Library Fund MS	Riverboat Full Day Kindergarten	Riverboat FY 2006-07	Riverboat FY 2009-10	Riverboat FY 2010-11	High Ability Grant FY 2009-10	High Ability Grant FY 2010-11	Scholarships and Awards	Non-English Speaking Programs P.L. 273-1999	School Technology
Cash and investments - beginning	\$ -	\$ 40,612	\$ 20,524	\$ 64,994	\$ -	\$ 9,328	\$ -	\$ 1,000	\$ 2,079	\$ 7,865
Receipts:										
Local sources	4,799	169,998	-	-	-	-	-	-	-	23,825
Intermediate sources	-	-	-	-	764,920	-	-	-	-	-
State sources	-	-	-	-	-	-	34,560	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	4,799	169,998	-	-	764,920	-	34,560	-	-	23,825
Disbursements:										
Current:										
Instruction	19,660	210,610	-	53,679	237,494	2,175	7,063	-	-	-
Support services	8,319	-	20,523	2,625	111,861	4,260	6,503	-	-	15,081
Noninstructional services	-	-	-	818	33,012	-	-	-	-	-
Facilities acquisition and construction	-	-	-	7,872	203,223	2,893	2,742	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,979	210,610	20,523	64,994	585,590	9,328	16,308	-	-	15,081
Excess (deficiency) of receipts over disbursements	(23,180)	(40,612)	(20,523)	(64,994)	179,330	(9,328)	18,252	-	-	8,744
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	(23,180)	(40,612)	(20,523)	(64,994)	179,330	(9,328)	18,252	-	-	8,744
Cash and investments - ending	\$ (23,180)	\$ -	\$ 1	\$ -	\$ 179,330	\$ -	\$ 18,252	\$ 1,000	\$ 2,079	\$ 16,609

NORTH HARRISON 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, 2011
 (Continued)

	21st Century Scholars	Title I FY 2009-10	Title I FY 2010-11	Drug Free Schools FY 2008-09	Drug Free Schools FY 2009-10	Improving Teaching Quality No Child Left Title II, Part A	Title I Grants to LEAs	Education Jobs	Totals
Cash and investments - beginning	\$ 1,454	\$ 50,963	\$ -	\$ 3,459	\$ -	\$ 13,345	\$ 23,416	\$ -	\$ 11,843,913
Receipts:									
Local sources	2,075	-	-	-	-	-	-	-	7,829,302
Intermediate sources	-	-	-	-	-	-	-	-	765,370
State sources	-	-	-	-	-	-	-	-	13,410,000
Federal sources	-	943	292,670	-	1,979	88,598	70,266	76,460	1,027,149
Other	-	-	-	-	-	-	-	-	10,545
Total receipts	2,075	943	292,670	-	1,979	88,598	70,266	76,460	23,042,366
Disbursements:									
Current:									
Instruction	1,327	51,906	285,067	-	-	104,809	84,161	35,390	13,216,503
Support services	-	-	-	3,459	1,643	-	9,166	46,417	6,917,283
Noninstructional services	-	-	1,221	-	-	-	123	-	1,104,228
Facilities acquisition and construction	-	-	-	-	-	-	-	-	382,382
Debt services	-	-	-	-	-	-	-	-	5,252,551
Total disbursements	1,327	51,906	286,288	3,459	1,643	104,809	93,450	81,807	26,872,947
Excess (deficiency) of receipts over disbursements	748	(50,963)	6,382	(3,459)	336	(16,211)	(23,184)	(5,347)	(3,830,581)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	10,801
Transfers out	-	-	-	-	-	-	-	-	(10,801)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	748	(50,963)	6,382	(3,459)	336	(16,211)	(23,184)	(5,347)	(3,830,581)
Cash and investments - ending	\$ 2,202	\$ -	\$ 6,382	\$ -	\$ 336	\$ (2,866)	\$ 232	\$ (5,347)	\$ 8,013,332

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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.

	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 539,096
Buildings	45,594,800
Improvements other than buildings	460,732
Machinery and equipment	<u>3,707,844</u>
Total capital assets not being depreciated	<u><u>\$ 50,302,472</u></u>

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NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital leases:			
High school building	\$ 1,840,000	\$ 1,286,000	Debt Service
Elementary school building	11,865,000	1,035,000	Debt Service
Morgan elementary building	10,000,000	270,000	Debt Service
Notes and loans payable	112,500	79,688	Debt Service
Bonds payable:			
General obligation bonds:			
Pension bonds - retirement and severance payments	<u>3,825,000</u>	<u>291,781</u>	Retirement/Severance Bond Debt Service
Total debt	<u>\$ 27,642,500</u>	<u>\$ 2,962,469</u>	

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
OTHER REPORT

The audit report presented herein was prepared in addition to the other official report prepared for the individual School Corporation office listed below:

North Harrison Community School Corporation - Extra-Curricular Accounts

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCE

The cash balance of the Retirement/Severance Bond Debt Service Fund was overdrawn by \$52,885 as of June 30, 2011.

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 DIPLOMA - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates the number of students receiving academic honors diplomas as reported by the School Corporation to the Indiana Department of Education on Form DOE-GR, Graduate Report, were incorrect for the school year ending June 30, 2009.

School Year	Academic Honors Count as Reported on DOE-GR	Actual Figures	Difference
2008-2009	41	38	3

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)

REPAYMENTS AND TRANSFERS

On March 25, 2010, the School Corporation made a permanent transfer of \$1,000,000 from the Rainy Day Fund to the General Fund. Provisions exist that permit a county, city, or town to transfer Rainy Day funds to the General Fund; however no provision exists that permits a School Corporation to transfer Rainy Day funds to the General Fund.

Officials concurred and on December 16, 2011, the General Fund reimbursed the Rainy Day Fund \$1,000,000 for the unauthorized transfer.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 36-1-8-5.1 states in part:

". . . (g) A county, city, or town may at any time, by ordinance or resolution, transfer to:

- (1) its general fund; or
- (2) any other appropriated funds of the county, city, or town; money that has been deposited in the rainy day fund of the county, city, or town."

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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 WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE NORTH HARRISON COMMUNITY SCHOOL
CORPORATION, HARRISON COUNTY, INDIANA

Compliance

We have audited the compliance of the North Harrison Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, Board of School Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 8, 2012

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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.

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 85,623	\$ 86,714
National School Lunch Program	10.555		<u>513,272</u>	<u>496,498</u>
Total for federal grantor agency			<u>598,895</u>	<u>583,212</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title 1 Grants to Local Educational Agencies				
FY 2008-09	84.010	09-3180	130,578	-
FY 2009-10		10-3180	292,958	51,906
FY 2010-11		11-3180	<u>-</u>	<u>286,288</u>
Total for program			<u>423,536</u>	<u>338,194</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
FY 2009-10	84.389	10-3180	79,719	28,881
FY 2010-11		11-3180	<u>-</u>	<u>64,569</u>
Total for program			<u>79,719</u>	<u>93,450</u>
Total for cluster			<u>503,255</u>	<u>431,644</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
	84.394	3180	<u>973,692</u>	<u>-</u>
Safe and Drug-Free Schools and Communities - State Grants				
FY 2007-08	84.186	07-3180	1,508	-
FY 2008-09		08-3180	3,288	3,459
FY 2009-10		09-3180	<u>-</u>	<u>1,643</u>
Total for program			<u>4,796</u>	<u>5,102</u>
State Grants for Innovative Programs				
FY 2007-08	84.298	07-3180	<u>1,443</u>	<u>-</u>
Improving Teacher Quality State Grants				
FY 2008-09	84.367	08-3180	96,041	13,345
FY 2009-10		09-3180	<u>-</u>	<u>91,464</u>
Total for program			<u>96,041</u>	<u>104,809</u>
ARRA - Education Jobs Fund				
	84.410	3180	<u>-</u>	<u>81,807</u>
Total for federal grantor agency			<u>1,579,227</u>	<u>623,362</u>
Total federal awards expended			<u>\$ 2,178,122</u>	<u>\$ 1,206,574</u>

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
Child Nutrition Cluster			
Food commodities:			
School Breakfast Program	10.553	\$ 15,188	\$ 12,932
National School Lunch Program	10.555	94,044	74,048

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to the 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:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

North Harrison Community School Corporation
PO Box 8
Ramsey, IN 47166
812-347-2407
812-347-2870 (fax)

December 14, 2011

SUMMARY SCHEDULE OF PRIOR AUDIT FINDING

Finding No. 2009-1, Cash Management

Original SBA Audit Report Number:	B35876
Fiscal Year	July 1, 2007 to June 30, 2009
Auditee Contact Person	Jo Ann Burson
Title of Contact Person	Treasurer
Phone Number	812-347-2407
Status of Finding	Complete

Grant cash balances are monitored to reduce the possibility of excess cash on hand. Effective July 1, 2010, the Department of Education required grant funds be on a reimbursement basis and permits reimbursement to include request of advances of no more than 15 days of anticipated expenses. It is our current policy to only request reimbursements for actual expenses incurred and not to request advances for anticipated expenses. This policy has allowed us to ensure that excess cash balances are not maintained.



Jo Ann Burson
Treasurer

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2012, with D. John Thomas, Superintendent of Schools; Lance A. Richards, Assistant Superintendent of Schools; Veronica Battista, President of the Board of School Trustees; Jo Ann Burson, Treasurer; and Sharon J. Hanen, former Treasurer. The officials concurred with our audit findings.