

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTHERN WELLS COMMUNITY SCHOOLS
WELLS COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/28/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brandon H. Penrod Deborah L. Adams	07-01-10 to 02-15-11 02-16-11 to 06-30-13
Superintendent of Schools	Dr. Scott A. Mills	07-01-10 to 06-30-13
President of the School Board	Gene A. Donaghy	07-01-10 to 06-30-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTHERN WELLS COMMUNITY SCHOOLS, WELLS COUNTY, INDIANA

We have audited the accompanying financial statement of the Northern Wells Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012. 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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, 2010 to June 30, 2012.

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, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 7, 2013, 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

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 reports 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.

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.

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

STATE BOARD OF ACCOUNTS

February 7, 2013



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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 NORTHERN WELLS COMMUNITY SCHOOLS, WELLS COUNTY, INDIANA

We have audited the financial statement of the Northern Wells Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 7, 2013. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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.

The School Corporation's response to the finding identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, 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 7, 2013

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.

NORTHERN WELLS COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 588,559	\$ 14,811,264	\$ 14,128,748	\$ (14,733)	\$ 1,256,342	\$ 14,758,107	\$ 13,188,877	\$ (70,606)	\$ 2,754,966
Debt Service	1,053,150	1,640,967	1,860,617	191,103	1,024,603	1,733,994	1,853,427	88,302	993,472
Retirement/Severance Debt	52,086	398,970	391,820	-	59,236	383,914	390,382	-	52,768
Capital Projects	2,222,409	2,075,013	2,444,289	224,845	2,077,978	1,776,450	2,470,086	78,814	1,463,156
Transportation Operation	476,963	1,680,986	1,669,733	179,780	667,996	1,276,398	1,682,674	62,217	323,937
Transportation Bus Replacement	156,015	310,478	-	20,586	487,079	393,082	311,832	16,662	584,991
Local Rainy Day	196,053	-	-	-	196,053	-	-	-	196,053
Construction	1,056	93	1,149	-	-	-	-	-	-
Food Service	66,168	1,024,215	1,006,650	-	83,733	1,054,795	1,083,905	-	54,623
Textbook Rental	181,376	327,952	201,213	-	308,115	336,646	622,260	70,351	92,852
Levy Excess	37,098	-	-	(37,098)	-	-	-	33,494	33,494
Area 18 Vocational	79	27,691	27,769	-	1	9,066	4,680	-	4,387
Child Care Programs	1,374	40,905	42,341	-	(62)	42,739	43,150	-	(473)
Educational License Plate	113	169	225	-	57	187	-	-	244
Alternative Education	12,010	11,286	23,296	-	-	10,695	10,695	-	-
Early Intervention Grant	82,364	-	-	(82,364)	-	-	-	-	-
2011-12 IAC Grant/Reimbursable	-	-	-	-	-	2,236	1,436	-	800
Ecolab Foundation	255	-	241	-	14	-	-	-	14
Ossian Outdoor Lab Grant 2011	-	-	-	-	-	800	600	-	200
Ossian Outdoor Lab Wal-Mart Grant	-	-	-	-	-	1,000	-	-	1,000
Teacher Of The Year 2006-07	500	-	500	-	-	-	-	-	-
Teacher Of The Year 2007-08	426	-	-	-	426	-	363	-	63
Teacher Of The Year 2011	-	500	-	-	500	-	439	-	61
Sports Workers Extracurricular Salaries	4,595	9,099	9,200	-	4,494	9,534	9,987	-	4,041
Transportation Extracurricular Salaries	(5,065)	26,160	27,704	-	(6,609)	17,264	30,142	-	(19,487)
AWSS - Reimbursement Teacher	-	-	-	-	-	-	-	-	-
Conference Home Instruction	-	-	-	-	-	1,390	4,208	-	(2,818)
Aquatics	(198)	10,344	7,629	-	2,517	6,444	3,956	-	5,005
Alternative School Technology Grant	320	-	320	-	-	-	-	-	-
Alternative School Technology Grant - 2009	5,000	-	1,226	-	3,774	-	1,221	-	2,553

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

NORTHERN WELLS COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Wells County Foundation Grant	-	-	-	-	-	10,900	10,900	-	-
PLTW Grant	(3,396)	3,141	-	255	-	-	-	-	-
High Ability Grant	-	-	-	-	-	34,492	34,003	-	489
State Medicaid Reimbursement	-	15,446	-	-	15,446	17,838	29,100	-	4,184
English Language Enrichment Reimbursement	5,811	3,779	4,271	(5,319)	-	2,835	2,835	-	-
State Connectivity	-	7,563	7,462	-	101	7,891	7,940	-	52
Technology Grants [IC 20-40-15]	6,489	-	6,489	-	-	-	-	-	-
Driver Education Program	32,052	26,382	35,990	-	22,444	44,919	36,869	-	30,494
ACT Student Testing	15	-	15	-	-	-	-	-	-
Langford Seminars	6,840	8,650	-	-	15,490	13,450	11,775	-	17,165
Reimbursement Fund For Flu Shots	-	-	-	-	-	2,048	-	-	2,048
Excess PTRC Distributions	182,812	293,963	-	(476,775)	-	279,489	-	(279,489)	-
2009-10 Title I	37,191	13,500	44,556	(6,135)	-	-	-	-	-
2010-2011 Title I	-	188,825	206,817	6,135	(11,857)	54,146	36,154	(6,135)	-
Title I 2011-12 School Year	-	-	-	-	-	179,944	203,308	6,135	(17,229)
Drug Free Schools	313	-	313	-	-	-	-	-	-
Technical Prep Perkins Grant (PLTW)	-	13,073	15,424	(255)	(2,606)	2,351	-	255	-
Emergency Impact Aid	2,157	-	500	-	1,657	-	1,657	-	-
Title II, Part A	38,521	43,760	81,244	-	1,037	51,076	55,099	-	(2,986)
Title III English Proficiency	-	-	-	-	-	3,065	1,098	-	1,967
Title III, 2011-12 NESP/Reimbursement	-	-	-	-	-	-	1,168	-	(1,168)
ARRA Title I Stimulus	(70,828)	75,764	4,936	-	-	-	-	-	-
Special Education - Part B	(16,079)	90,340	89,424	-	(15,163)	70,625	55,462	-	-
Education Jobs	-	120,607	123,642	-	(3,035)	279,039	302,442	-	(26,438)
Clearing	4,159	3,369,514	3,187,550	-	186,123	3,303,498	3,437,424	-	52,197
Totals	\$ 5,358,763	\$ 26,670,399	\$ 25,653,303	\$ 25	\$ 6,375,884	\$ 26,172,347	\$ 25,941,554	\$ -	\$ 6,606,677

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

NORTHERN WELLS COMMUNITY SCHOOLS
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 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. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

NORTHERN WELLS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, 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:

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

NORTHERN WELLS COMMUNITY SCHOOLS
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 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.

NORTHERN WELLS COMMUNITY SCHOOLS
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.

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.

NORTHERN WELLS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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.

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.

NORTHERN WELLS COMMUNITY SCHOOLS
 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 Debt	Capital Projects	Transportation Operation	Transportation Bus Replacement	Local Rainy Day	Construction	Food Service
Cash and investments - beginning	\$ 588,559	\$ 1,053,150	\$ 52,086	\$ 2,222,409	\$ 476,963	\$ 156,015	\$ 196,053	\$ 1,056	\$ 66,168
Receipts:									
Local sources	300,212	1,640,967	398,970	2,011,876	1,272,563	310,478	-	93	626,662
Intermediate sources	77	-	-	-	-	-	-	-	-
State sources	14,506,592	-	-	-	-	-	-	-	15,463
Federal sources	-	-	-	-	-	-	-	-	382,090
Temporary loans	-	-	-	-	404,034	-	-	-	-
Other	4,383	-	-	63,137	4,389	-	-	-	-
Total receipts	14,811,264	1,640,967	398,970	2,075,013	1,680,986	310,478	-	93	1,024,215
Disbursements:									
Current:									
Instruction	9,927,253	-	-	-	-	-	-	-	-
Support services	3,654,040	-	-	1,539,959	1,259,419	-	-	141	19,083
Noninstructional services	231,618	-	-	-	-	-	-	-	987,567
Facilities acquisition and construction	-	-	-	459,292	-	-	-	1,008	-
Debt services	315,837	1,860,617	391,820	445,038	410,314	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,128,748	1,860,617	391,820	2,444,289	1,669,733	-	-	1,149	1,006,650
Excess (deficiency) of receipts over disbursements	682,516	(219,650)	7,150	(369,276)	11,253	310,478	-	(1,056)	17,565
Other financing sources (uses):									
Sale of capital assets	-	-	-	25	-	-	-	-	-
Transfers in	127,622	191,103	-	224,820	179,780	20,586	-	-	-
Transfers out	(142,355)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(14,733)	191,103	-	224,845	179,780	20,586	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	667,783	(28,547)	7,150	(144,431)	191,033	331,064	-	(1,056)	17,565
Cash and investments - ending	\$ 1,256,342	\$ 1,024,603	\$ 59,236	\$ 2,077,978	\$ 667,996	\$ 487,079	\$ 196,053	\$ -	\$ 83,733

NORTHERN WELLS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Textbook Rental	Levy Excess	Area 18 Vocational	Child Care Programs	Educational License Plate	Alternative Education	Early Intervention Grant	Ecolab Foundation	Teacher Of The Year 2006-07
Cash and investments - beginning	\$ 181,376	\$ 37,098	\$ 79	\$ 1,374	\$ 113	\$ 12,010	\$ 82,364	\$ 255	\$ 500
Receipts:									
Local sources	243,139	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	169	-	-	-	-
State sources	-	-	-	40,905	-	11,286	-	-	-
Federal sources	-	-	27,691	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	84,813	-	-	-	-	-	-	-	-
Total receipts	327,952	-	27,691	40,905	169	11,286	-	-	-
Disbursements:									
Current:									
Instruction	-	-	27,769	-	-	23,296	-	-	-
Support services	201,213	-	-	-	225	-	-	241	500
Noninstructional services	-	-	-	42,341	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	201,213	-	27,769	42,341	225	23,296	-	241	500
Excess (deficiency) of receipts over disbursements	126,739	-	(78)	(1,436)	(56)	(12,010)	-	(241)	(500)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(37,098)	-	-	-	-	(82,364)	-	-
Total other financing sources (uses)	-	(37,098)	-	-	-	-	(82,364)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	126,739	(37,098)	(78)	(1,436)	(56)	(12,010)	(82,364)	(241)	(500)
Cash and investments - ending	\$ 308,115	\$ -	\$ 1	\$ (62)	\$ 57	\$ -	\$ -	\$ 14	\$ -

NORTHERN WELLS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Teacher Of The Year 2007-08	Teacher Of The Year 2011	Sports Workers Extracurricular Salaries	Transportation Extracurricular Salaries	Aquatics	Alternative School Technology Grant	Alternative School Technology Grant - 2009	PLTW Grant	State Medicaid Reimbursement
Cash and investments - beginning	\$ 426	\$ -	\$ 4,595	\$ (5,065)	\$ (198)	\$ 320	\$ 5,000	\$ (3,396)	\$ -
Receipts:									
Local sources	-	500	9,099	26,160	10,344	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	15,446
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	3,141	-
Total receipts	-	500	9,099	26,160	10,344	-	-	3,141	15,446
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	9,200	27,704	7,629	320	1,226	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	9,200	27,704	7,629	320	1,226	-	-
Excess (deficiency) of receipts over disbursements	-	500	(101)	(1,544)	2,715	(320)	(1,226)	3,141	15,446
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	255	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	255	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	500	(101)	(1,544)	2,715	(320)	(1,226)	3,396	15,446
Cash and investments - ending	\$ 426	\$ 500	\$ 4,494	\$ (6,609)	\$ 2,517	\$ -	\$ 3,774	\$ -	\$ 15,446

NORTHERN WELLS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	English Language Enrichment Reimbursement	State Connectivity	Technology Grants [IC 20-40-15]	Driver Education Program	ACT Student Testing	Langford Seminars	Excess PTRC Distributions	2009-10 Title I	2010-2011 Title I
Cash and investments - beginning	\$ 5,811	\$ -	\$ 6,489	\$ 32,052	\$ 15	\$ 6,840	\$ 182,812	\$ 37,191	\$ -
Receipts:									
Local sources	-	-	-	26,382	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	3,779	7,563	-	-	-	-	293,963	-	-
Federal sources	-	-	-	-	-	-	-	13,500	188,825
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	8,650	-	-	-
Total receipts	3,779	7,563	-	26,382	-	8,650	293,963	13,500	188,825
Disbursements:									
Current:									
Instruction	-	-	-	7,774	-	-	-	21,738	139,998
Support services	4,271	7,462	6,489	463	15	-	-	22,302	59,904
Noninstructional services	-	-	-	27,753	-	-	-	516	6,915
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,271	7,462	6,489	35,990	15	-	-	44,556	206,817
Excess (deficiency) of receipts over disbursements	(492)	101	(6,489)	(9,608)	(15)	8,650	293,963	(31,056)	(17,992)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	102,416	-	6,135
Transfers out	(5,319)	-	-	-	-	-	(579,191)	(6,135)	-
Total other financing sources (uses)	(5,319)	-	-	-	-	-	(476,775)	(6,135)	6,135
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,811)	101	(6,489)	(9,608)	(15)	8,650	(182,812)	(37,191)	(11,857)
Cash and investments - ending	\$ -	\$ 101	\$ -	\$ 22,444	\$ -	\$ 15,490	\$ -	\$ -	\$ (11,857)

NORTHERN WELLS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Drug Free Schools	Technical Prep Grant (PLTW)	Emergency Impact Aid	Title II, Part A	ARRA Title I Stimulus	Special Education - Part B	Education Jobs	Clearing	Totals
Cash and investments - beginning	\$ 313	\$ -	\$ 2,157	\$ 38,521	\$ (70,828)	\$ (16,079)	\$ -	\$ 4,159	\$ 5,358,763
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,877,445
Intermediate sources	-	-	-	-	-	-	-	-	246
State sources	-	-	-	-	-	-	-	-	14,894,997
Federal sources	-	13,073	-	43,760	75,764	90,340	120,607	-	955,650
Temporary loans	-	-	-	-	-	-	-	-	404,034
Other	-	-	-	-	-	-	-	3,369,514	3,538,027
Total receipts	-	13,073	-	43,760	75,764	90,340	120,607	3,369,514	26,670,399
Disbursements:									
Current:									
Instruction	-	-	-	-	1,349	25,363	121,326	-	10,295,866
Support services	313	15,424	500	80,149	3,545	42,219	2,316	-	6,966,272
Noninstructional services	-	-	-	-	42	1,560	-	-	1,298,312
Facilities acquisition and construction	-	-	-	-	-	20,282	-	-	480,582
Debt services	-	-	-	-	-	-	-	-	3,423,626
Nonprogrammed charges	-	-	-	1,095	-	-	-	3,187,550	3,188,645
Total disbursements	313	15,424	500	81,244	4,936	89,424	123,642	3,187,550	25,653,303
Excess (deficiency) of receipts over disbursements	(313)	(2,351)	(500)	(37,484)	70,828	916	(3,035)	181,964	1,017,096
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	25
Transfers in	-	-	-	-	-	-	-	-	852,717
Transfers out	-	(255)	-	-	-	-	-	-	(852,717)
Total other financing sources (uses)	-	(255)	-	-	-	-	-	-	25
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(313)	(2,606)	(500)	(37,484)	70,828	916	(3,035)	181,964	1,017,121
Cash and investments - ending	\$ -	\$ (2,606)	\$ 1,657	\$ 1,037	\$ -	\$ (15,163)	\$ (3,035)	\$ 186,123	\$ 6,375,884

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

	General	Debt Service	Retirement/ Severance Debt	Capital Projects	Transportation Operation	Transportation Bus Replacement	Local Rainy Day	Food Service	Textbook Rental
Cash and investments - beginning	\$ 1,256,342	\$ 1,024,603	\$ 59,236	\$ 2,077,978	\$ 667,996	\$ 487,079	\$ 196,053	\$ 83,733	\$ 308,115
Receipts:									
Local sources	410,495	1,733,994	383,914	1,768,071	1,273,915	393,082	-	642,960	273,344
Intermediate sources	24	-	-	-	-	-	-	-	-
State sources	14,345,150	-	-	-	-	-	-	15,033	63,302
Federal sources	-	-	-	-	-	-	-	396,669	-
Other	2,438	-	-	8,379	2,483	-	-	133	-
Total receipts	<u>14,758,107</u>	<u>1,733,994</u>	<u>383,914</u>	<u>1,776,450</u>	<u>1,276,398</u>	<u>393,082</u>	<u>-</u>	<u>1,054,795</u>	<u>336,646</u>
Disbursements:									
Current:									
Instruction	9,358,275	-	-	-	-	-	-	-	-
Support services	3,601,752	11,737	-	1,745,876	1,278,512	311,832	-	8,938	622,260
Noninstructional services	228,850	-	-	-	-	-	-	1,074,967	-
Facilities acquisition and construction	-	-	-	724,210	-	-	-	-	-
Debt services	-	1,841,690	390,382	-	404,162	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>13,188,877</u>	<u>1,853,427</u>	<u>390,382</u>	<u>2,470,086</u>	<u>1,682,674</u>	<u>311,832</u>	<u>-</u>	<u>1,083,905</u>	<u>622,260</u>
Excess (deficiency) of receipts over disbursements	<u>1,569,230</u>	<u>(119,433)</u>	<u>(6,468)</u>	<u>(693,636)</u>	<u>(406,276)</u>	<u>81,250</u>	<u>-</u>	<u>(29,110)</u>	<u>(285,614)</u>
Other financing sources (uses):									
Transfers in	-	88,302	-	78,814	62,217	16,662	-	-	70,351
Transfers out	<u>(70,606)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(70,606)</u>	<u>88,302</u>	<u>-</u>	<u>78,814</u>	<u>62,217</u>	<u>16,662</u>	<u>-</u>	<u>-</u>	<u>70,351</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,498,624</u>	<u>(31,131)</u>	<u>(6,468)</u>	<u>(614,822)</u>	<u>(344,059)</u>	<u>97,912</u>	<u>-</u>	<u>(29,110)</u>	<u>(215,263)</u>
Cash and investments - ending	<u>\$ 2,754,966</u>	<u>\$ 993,472</u>	<u>\$ 52,768</u>	<u>\$ 1,463,156</u>	<u>\$ 323,937</u>	<u>\$ 584,991</u>	<u>\$ 196,053</u>	<u>\$ 54,623</u>	<u>\$ 92,852</u>

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

	Levy Excess	Area 18 Vocational	Child Care Programs	Educational License Plate	Alternative Education	2011-12 IAC Grant/ Reimbursable	Ecolab Foundation	Ossian Outdoor Lab Grant 2011	Ossian Outdoor Lab Wal-Mart Grant
Cash and investments - beginning	\$ -	\$ 1	\$ (62)	\$ 57	\$ -	\$ -	\$ 14	\$ -	\$ -
Receipts:									
Local sources	-	149	-	-	-	-	-	800	1,000
Intermediate sources	-	-	-	187	-	-	-	-	-
State sources	-	-	42,739	-	10,695	2,236	-	-	-
Federal sources	-	8,750	-	-	-	-	-	-	-
Other	-	167	-	-	-	-	-	-	-
Total receipts	-	9,066	42,739	187	10,695	2,236	-	800	1,000
Disbursements:									
Current:									
Instruction	-	4,680	-	-	10,695	-	-	-	-
Support services	-	-	-	-	-	-	-	600	-
Noninstructional services	-	-	43,150	-	-	1,436	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,680	43,150	-	10,695	1,436	-	600	-
Excess (deficiency) of receipts over disbursements	-	4,386	(411)	187	-	800	-	200	1,000
Other financing sources (uses):									
Transfers in	33,494	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	33,494	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,494	4,386	(411)	187	-	800	-	200	1,000
Cash and investments - ending	\$ 33,494	\$ 4,387	\$ (473)	\$ 244	\$ -	\$ 800	\$ 14	\$ 200	\$ 1,000

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

	Teacher Of The Year 2007-08	Teacher Of The Year 2011	Sports Workers Extracurricular Salaries	Transportation Extracurricular Salaries	AWSS- Reimbursement Teacher Conference Home Instruction	Aquatics	Alternative School Technology Grant - 2009	Wells County Foundation Grant	High Ability Grant
Cash and investments - beginning	\$ 426	\$ 500	\$ 4,494	\$ (6,609)	\$ -	\$ 2,517	\$ 3,774	\$ -	\$ -
Receipts:									
Local sources	-	-	9,534	17,264	1,390	6,444	-	10,900	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	34,492
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	9,534	17,264	1,390	6,444	-	10,900	34,492
Disbursements:									
Current:									
Instruction	-	-	270	-	4,208	-	-	-	34,003
Support services	363	439	9,717	30,142	-	3,956	1,221	10,900	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	363	439	9,987	30,142	4,208	3,956	1,221	10,900	34,003
Excess (deficiency) of receipts over disbursements	(363)	(439)	(453)	(12,878)	(2,818)	2,488	(1,221)	-	489
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	(363)	(439)	(453)	(12,878)	(2,818)	2,488	(1,221)	-	489
Cash and investments - ending	\$ 63	\$ 61	\$ 4,041	\$ (19,487)	\$ (2,818)	\$ 5,005	\$ 2,553	\$ -	\$ 489

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

	State Medicaid Reimbursement	English Language Enrichment Reimbursement	State Connectivity	Driver Education Program	Langford Seminars	Reimbursement Fund For Flu Shots	Excess PTRC Distributions	2010-2011 Title I	Title I 2011-12 School Year
Cash and investments - beginning	\$ 15,446	\$ -	\$ 101	\$ 22,444	\$ 15,490	\$ -	\$ -	\$ (11,857)	\$ -
Receipts:									
Local sources	-	-	-	44,919	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	17,838	2,835	7,891	-	-	-	279,489	-	-
Federal sources	-	-	-	-	-	-	-	54,146	176,896
Other	-	-	-	-	13,450	2,048	-	-	3,048
Total receipts	17,838	2,835	7,891	44,919	13,450	2,048	279,489	54,146	179,944
Disbursements:									
Current:									
Instruction	29,100	2,500	-	7,896	-	-	-	28,479	136,591
Support services	-	335	7,940	75	10,159	-	-	6,340	66,717
Noninstructional services	-	-	-	28,898	1,616	-	-	1,335	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	29,100	2,835	7,940	36,869	11,775	-	-	36,154	203,308
Excess (deficiency) of receipts over disbursements	(11,262)	-	(49)	8,050	1,675	2,048	279,489	17,992	(23,364)
Other financing sources (uses):									
Transfers in	28	-	-	-	-	-	-	-	6,135
Transfers out	(28)	-	-	-	-	-	(279,489)	(6,135)	-
Total other financing sources (uses)	-	-	-	-	-	-	(279,489)	(6,135)	6,135
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,262)	-	(49)	8,050	1,675	2,048	-	11,857	(17,229)
Cash and investments - ending	\$ 4,184	\$ -	\$ 52	\$ 30,494	\$ 17,165	\$ 2,048	\$ -	\$ -	\$ (17,229)

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

	Technical Prep Perkins Grant (PLTW)	Emergency Impact Aid	Title II, Part A	Title III English Proficiency	Title III, 2011-12 NESP/ Reimbursement	Special Education - Part B	Education Jobs	Clearing	Totals
Cash and investments - beginning	\$ (2,606)	\$ 1,657	\$ 1,037	\$ -	\$ -	\$ (15,163)	\$ (3,035)	\$ 186,123	\$ 6,375,884
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,972,175
Intermediate sources	-	-	-	-	-	-	-	-	211
State sources	-	-	-	3,065	-	-	-	-	14,824,765
Federal sources	-	-	51,071	-	-	70,625	279,039	-	1,037,196
Other	2,351	-	5	-	-	-	-	3,303,498	3,338,000
Total receipts	2,351	-	51,076	3,065	-	70,625	279,039	3,303,498	26,172,347
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	287,078	-	9,903,775
Support services	-	1,657	55,099	1,098	1,168	43,040	6,114	-	7,837,987
Noninstructional services	-	-	-	-	-	-	-	-	1,380,252
Facilities acquisition and construction	-	-	-	-	-	12,422	-	-	736,632
Debt services	-	-	-	-	-	-	-	-	2,636,234
Nonprogrammed charges	-	-	-	-	-	-	9,250	3,437,424	3,446,674
Total disbursements	-	1,657	55,099	1,098	1,168	55,462	302,442	3,437,424	25,941,554
Excess (deficiency) of receipts over disbursements	2,351	(1,657)	(4,023)	1,967	(1,168)	15,163	(23,403)	(133,926)	230,793
Other financing sources (uses):									
Transfers in	255	-	-	-	-	-	-	-	356,258
Transfers out	-	-	-	-	-	-	-	-	(356,258)
Total other financing sources (uses)	255	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,606	(1,657)	(4,023)	1,967	(1,168)	15,163	(23,403)	(133,926)	230,793
Cash and investments - ending	\$ -	\$ -	\$ (2,986)	\$ 1,967	\$ (1,168)	\$ -	\$ (26,438)	\$ 52,197	\$ 6,606,677

NORTHERN WELLS COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
JUNE 30, 2012

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 598,505</u>	<u>\$ 6,975</u>

NORTHERN WELLS COMMUNITY SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 JUNE 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Northern Wells Community Schools Building Corporation	Renovations at High School/Middle School/Lancaster	\$ 1,842,000	08-29-01	06-30-23
Northern Wells Community School Building Corporation	QSCB-Renovations at HS/MS/Ossian	<u>144,150</u>	12-29-10	01-01-26
Total of annual lease payments		<u>\$ 1,986,150</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Retirement and Severance Liability Bonds	<u>\$ 2,370,000</u>	<u>\$ 388,072</u>

NORTHERN WELLS COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
JUNE 30, 2012

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>
Governmental activities:	
Land	\$ 183,444
Buildings	48,251,674
Improvements other than buildings	5,288,393
Machinery, equipment and vehicles	<u>6,408,549</u>
 Total capital assets	 <u><u>\$ 60,132,060</u></u>

NORTHERN WELLS COMMUNITY SCHOOLS
AUDIT RESULT AND COMMENT

TICKET SALES REPORT FORM SA-4 (Applies to Norwell High School)

Ticket sales reports (Form SA-4) used for athletic events at the High School were not completed as prescribed. The beginning and ending numbers of the tickets sold for the events were not listed. However, the numbers of the tickets sold were listed in a separate section of the report. There were approximately 140 reports for the 2011-2012 school year. None of the reports had a cash short or long. All reports appeared to have been completed by the Athletic Director after the monies were received. Since controls in place for ticket sales depend on the ticket sale report being properly completed, with at least two individuals involved in the process, full accountability for all money received from admissions could not be determined.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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 Extra-Curricular Accounts, Chapter 7)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

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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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE NORTHERN WELLS COMMUNITY SCHOOLS, WELLS COUNTY, INDIANA

Compliance

We have audited the Northern Wells Community Schools' (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

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 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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, School Board, 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 7, 2013

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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.

NORTHERN WELLS COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553			
		FY10-11	\$ 31,160	\$ -
		FY11-12	-	38,618
Total for program			31,160	38,618
National School Lunch Program				
	10.555			
		FY10-11	408,438	-
		FY11-12	-	427,195
Total for program			408,438	427,195
Total for cluster			439,598	465,813
Total for federal grantor agency			439,598	465,813
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010			
		10-8435	44,555	-
		11-8435	206,818	36,154
		12-8435	-	176,896
Total for program			251,373	213,050
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
	84.389			
		FY10-11	4,936	-
Total for cluster			256,309	213,050
Pass-Through Adams-Wells Special Services Cooperative				
Special Education Cluster (IDEA)				
ARRA - Special Education - Grants to States, Recovery Act				
	84.391			
		33310-001-SN01	89,424	55,462
Total for cluster			89,424	55,462

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

NORTHERN WELLS COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Bluffton-Harrison Metropolitan School District Career and Technical Education - Basic Grants to States	84.048			
		11-4700-8445	27,767	-
		12-4700-8445	-	8,750
Total for program			<u>27,767</u>	<u>8,750</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities-State Grants	84.186			
		09-8435	313	-
Projects with Industry	84.234			
		A58-1-11CI-070	13,073	-
Improving Teacher Quality State Grants	84.367			
		09-8435	37,482	-
		10-8435	43,760	32,837
		11-8435	-	19,270
Total for program			<u>81,242</u>	<u>52,107</u>
Education Jobs Fund	84.410			
		FY10-11	123,643	-
		FY11-12	-	276,004
Total for program			<u>123,643</u>	<u>276,004</u>
Total for federal grantor agency			<u>591,771</u>	<u>605,373</u>
Total federal awards expended			<u>\$ 1,031,369</u>	<u>\$ 1,071,186</u>

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

NORTHERN WELLS COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	For the Year Ended June 30, 2011	For the Year Ended June 30, 2012
Child nutrition cluster:			
Food commodities:			
School breakfast program		\$ 4,530	\$ 6,055
National school lunch program		<u>59,978</u>	<u>67,179</u>
Total for cluster		<u>\$ 64,508</u>	<u>\$ 73,234</u>

NORTHERN WELLS COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

CFDA Number	Name of Federal Program or Cluster
84.410	Child Nutrition Cluster Education Jobs Fund

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

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NORTHERN WELLS COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2013, with Deborah L. Adams, Treasurer; Dr. Scott A. Mills, Superintendent of Schools; and Gene A. Donaghy, President of the School Board. The Official Response has been made a part of this report and may be found on page 41.

Northern Wells Community Schools

312 North Jefferson Street, P.O. Box 386
Ossian, IN 46777

Telephone (260) 622-4125
Fax (260) 622-7893

Dr. Scott A. Mills, Superintendent

Feb. 8, 2013

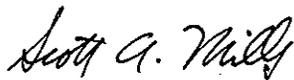
General response to Northern Wells Community Schools Audit Result and Comment:

Upon reviewing procedures for ticket sales reports for athletic events, it was determined that full accountability of all money was taking place, but the corresponding documentation to support that did not reflect the actual process.

The athletic director used his own form for recording ticket numbers and money collected by ticket-takers for athletic events. The athletic director counted and recorded the initial money and noted the starting ticket number for each cash box on his form. At the end of the event, the ticket-taker counted and recorded the ending cash amount as well as the ending ticket number on the same form. After the event, the athletic director counted the money, filled out Form SA-4, and wrote a deposit slip for the high school treasurer.

If the athletic director would have attached the form he created for recording money and ticket numbers to the Form SA-4, it would have been clear to the auditor that a second person was involved in the process.

The athletic director took immediate action to modify his ticket sales reporting process to meet the auditor's expectations and the school is confident the concern was resolved immediately.



Scott Mills
Superintendent