

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WES-DEL COMMUNITY SCHOOLS
DELAWARE COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
03/01/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
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	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	9
Notes to Financial Statement.....	10-14
Supplementary Information - Unaudited: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	16-23
Schedule of Long-Term Debt	24
Schedule of Capital Assets.....	25
Audit Results and Comments: Academic Honors Diplomas - Incorrect Reporting to the State.....	26
Collections (Applies to Wes-Del Elementary School).....	26
Supplemental Audit of Federal Awards: 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	28-29
Schedule of Expenditures of Federal Awards	32
Notes to Schedule of Expenditures of Federal Awards.....	33
Schedule of Findings and Questioned Costs	34
Exit Conference.....	35

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Fowler	07-01-10 to 06-30-13
Superintendent of Schools	Stephen McColley	07-01-10 to 06-30-13
President of the School Board	Todd Trehearne Bob Colter Dick Johnson	07-01-10 to 06-30-11 07-01-11 to 06-30-12 07-01-12 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WES-DEL COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

We have audited the accompanying financial statement of the Wes-Del 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated February 11, 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 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 Long-Term 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.

STATE BOARD OF ACCOUNTS

February 11, 2013



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

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 WES-DEL COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

We have audited the financial statement of the Wes-Del Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 11, 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.

This report is intended solely for the information and use of the School Corporation's management, the 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 11, 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.

(This page intentionally left blank.)

WES-DEL 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	\$ 1,227,310	\$ 5,121,065	\$ 5,195,994	\$ -	\$ 1,152,381	\$ 5,201,351	\$ 5,047,127	\$ 5,045	\$ 1,311,650
Debt Service	81,275	1,216,632	911,702	25,180	411,385	580,108	599,000	(5,058)	387,435
Retirement/Severance Bond Debt Service	64,279	169,297	182,923	4,907	55,560	86,322	136,837	(5,045)	-
Capital Projects	318,478	984,752	1,094,902	30,387	238,715	667,664	778,725	-	127,654
School Transportation	337,821	631,770	365,171	(94,907)	509,513	435,566	376,701	(100,000)	468,378
School Bus Replacement	105,655	332,270	264,567	(11,917)	161,441	153,821	170,207	-	145,055
Rainy Day	295,000	-	21,000	145,425	419,425	-	-	100,000	519,425
Retirement/Severance Bond	18,766	-	5,164	-	13,602	-	5,655	-	7,947
School Lunch	11,311	383,408	384,917	-	9,802	392,137	386,965	-	14,974
Textbook Rental	7,125	81,811	27,293	3,636	65,279	94,168	122,195	5,058	42,310
Levy Excess	-	102,711	-	(102,711)	-	-	-	-	-
Educational License Plates	253	-	-	-	253	-	253	-	-
PDS - Elementary	-	1,000	920	-	80	-	80	-	-
United Way 2011-12	-	4,680	-	-	4,680	20,000	18,733	-	5,947
Schoolyard Habitat Grant	362	-	230	-	132	-	97	-	35
Thomas Donation	-	500	-	-	500	-	-	-	500
MC United Way	-	-	-	-	-	136	-	-	136
Curriculum Writing	128	-	-	-	128	-	-	-	128
Medical Reimbursement Refund	738	1,014	1,752	-	-	905	905	-	-
School Technology	7,175	58,992	37,403	-	28,764	20,253	34,931	-	14,086
Gifted and Talented 2009-10	2,318	-	2,318	-	-	-	-	-	-
Extended Background Checks	125	1,632	1,728	-	29	1,131	1,044	-	116
Community Foundation	-	-	-	-	-	3,500	3,500	-	-
Gifted and Talented 2010-11	-	28,076	23,973	-	4,103	27,334	27,358	-	4,079
Title I 2009-10	21,979	-	19,871	(2,108)	-	-	-	-	-
Title I 2010-11	-	76,955	86,061	2,108	(6,998)	18,959	11,961	-	-
Title I 2011-12	-	-	-	-	-	84,347	87,816	-	(3,469)
Summer Youth Employment	-	-	1,554	-	(1,554)	1,413	(141)	-	-
IDEA	-	-	-	-	-	163,914	186,760	-	(22,846)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	25,561	165,995	210,996	-	(19,440)	38,663	19,223	-	-
Drug Free Schools 2009-10	2,710	-	2,710	-	-	425	425	-	-
Nutritional Grant - State	-	500	432	-	68	-	68	-	-
Healthy Living Elementary Fees	227	-	155	-	72	-	-	-	72
Healthy Living Elementary 2009-10	29	-	29	-	-	-	-	-	-
Team Nutrition Training Grants	(123)	6,784	5,952	-	709	-	188	-	521
Healthy Living Elementary	-	350	305	-	45	-	45	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	195	34,734	36,340	-	(1,411)	35,704	36,653	-	(2,360)
Title I - Grants to LEAs	7,194	31,600	37,678	-	1,116	2,426	3,542	-	-
Special Education - Part B	(27,074)	94,290	71,146	-	(3,930)	16,499	12,569	-	-
Education Jobs	-	-	-	-	-	165,589	165,589	-	-
Payroll Withholdings	37,830	1,350,544	1,355,275	-	33,099	1,340,908	1,341,224	-	32,783
Prepaid Lunch	1,799	188,473	189,753	-	519	190,684	190,143	-	1,060
Totals	\$ 2,548,446	\$ 11,069,835	\$ 10,540,214	\$ -	\$ 3,078,067	\$ 9,743,927	\$ 9,766,378	\$ -	\$ 3,055,616

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

WES-DEL 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 may include the following sources:

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

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

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

WES-DEL 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.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

E. Disbursements

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

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

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

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

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

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

Non-programmed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

WES-DEL COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses may include the following:

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

WES-DEL COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

WES-DEL COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. *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.

Note 7. *Restatement*

The \$289,900 increase to the General Fund's cash and investment balance at July 1, 2010, was due to a prior period adjustment, as some checks that were not mailed were reported in the prior period's financial statements.

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.

WES-DEL 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 Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,227,310	\$ 81,275	\$ 64,279	\$ 318,478	\$ 337,821	\$ 105,655	\$ 295,000	\$ 18,766	\$ 11,311	\$ 7,125
Receipts:										
Local sources	5,517	918,830	169,297	984,306	631,720	242,270	-	-	195,445	58,864
Intermediate sources	325	-	-	-	-	-	-	-	-	-
State sources	5,109,765	-	-	-	-	-	-	-	78,097	22,947
Federal sources	-	-	-	-	-	-	-	-	109,866	-
Temporary loans	-	297,802	-	-	-	90,000	-	-	-	-
Other	5,458	-	-	446	50	-	-	-	-	-
Total receipts	5,121,065	1,216,632	169,297	984,752	631,770	332,270	-	-	383,408	81,811
Disbursements:										
Current:										
Instruction	3,478,883	-	-	-	-	-	13,097	-	-	-
Support services	1,658,882	-	-	410,759	365,171	174,567	7,903	5,164	-	27,293
Noninstructional services	58,229	-	-	-	-	-	-	-	384,917	-
Facilities acquisition and construction	-	-	-	186,809	-	-	-	-	-	-
Debt services	-	911,702	182,923	497,334	-	90,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,195,994	911,702	182,923	1,094,902	365,171	264,567	21,000	5,164	384,917	27,293
Excess (deficiency) of receipts over disbursements	(74,929)	304,930	(13,626)	(110,150)	266,599	67,703	(21,000)	(5,164)	(1,509)	54,518
Other financing sources (uses):										
Transfers in	-	28,816	4,907	30,387	30,093	8,508	145,425	-	-	3,636
Transfers out	-	(3,636)	-	-	(125,000)	(20,425)	-	-	-	-
Total other financing sources (uses)	-	25,180	4,907	30,387	(94,907)	(11,917)	145,425	-	-	3,636
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(74,929)	330,110	(8,719)	(79,763)	171,692	55,786	124,425	(5,164)	(1,509)	58,154
Cash and investments - ending	\$ 1,152,381	\$ 411,385	\$ 55,560	\$ 238,715	\$ 509,513	\$ 161,441	\$ 419,425	\$ 13,602	\$ 9,802	\$ 65,279

WES-DEL 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)

	Levy Excess	Educational License Plates	PDS - Elementary	United Way 2011-12	Schoolyard Habitat Grant	Thomas Donation	Curriculum Writing	Medical Reimbursement Refund	School Technology	Gifted and Talented 2009-10
Cash and investments - beginning	\$ -	\$ 253	\$ -	\$ -	\$ 362	\$ -	\$ 128	\$ 738	\$ 7,175	\$ 2,318
Receipts:										
Local sources	102,711	-	-	4,680	-	500	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	51,914	-
Federal sources	-	-	1,000	-	-	-	-	-	7,078	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1,014	-	-
Total receipts	102,711	-	1,000	4,680	-	500	-	1,014	58,992	-
Disbursements:										
Current:										
Instruction	-	-	920	-	-	-	-	-	-	2,318
Support services	-	-	-	-	230	-	-	1,752	37,403	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	920	-	230	-	-	1,752	37,403	2,318
Excess (deficiency) of receipts over disbursements	102,711	-	80	4,680	(230)	500	-	(738)	21,589	(2,318)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(102,711)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(102,711)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	80	4,680	(230)	500	-	(738)	21,589	(2,318)
Cash and investments - ending	\$ -	\$ 253	\$ 80	\$ 4,680	\$ 132	\$ 500	\$ 128	\$ -	\$ 28,764	\$ -

WES-DEL 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)

	Extended Background Checks	Gifted and Talented 2010-11	Title I 2009-10	Title I 2010-11	Summer Youth Employment	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Drug Free Schools 2009-10	Nutritional Grant State	Healthy Living Elementary Fees
Cash and investments - beginning	\$ 125	\$ -	\$ 21,979	\$ -	\$ -	\$ 25,561	\$ 2,710	\$ -	\$ 227
Receipts:									
Local sources	1,632	-	-	-	-	-	-	500	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	28,076	-	-	-	-	-	-	-
Federal sources	-	-	-	76,955	-	165,995	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,632	28,076	-	76,955	-	165,995	-	500	-
Disbursements:									
Current:									
Instruction	-	23,973	19,871	86,061	-	210,996	-	-	-
Support services	1,728	-	-	-	1,554	-	2,710	432	155
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,728	23,973	19,871	86,061	1,554	210,996	2,710	432	155
Excess (deficiency) of receipts over disbursements	(96)	4,103	(19,871)	(9,106)	(1,554)	(45,001)	(2,710)	68	(155)
Other financing sources (uses):									
Transfers in	-	-	-	2,108	-	-	-	-	-
Transfers out	-	-	(2,108)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(2,108)	2,108	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(96)	4,103	(21,979)	(6,998)	(1,554)	(45,001)	(2,710)	68	(155)
Cash and investments - ending	\$ 29	\$ 4,103	\$ -	\$ (6,998)	\$ (1,554)	\$ (19,440)	\$ -	\$ 68	\$ 72

WES-DEL 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)

	Healthy Living Elementary 2009-10	Team Nutrition Traning Grants	Healthy Living Elementary	Improving Teaching Quality No Child Left Title II, Part A	Title I Grants to LEAs	Special Education Part B	Payroll Withholdings	Prepaid Lunch	Totals
Cash and investments - beginning	\$ 29	\$ (123)	\$ -	\$ 195	\$ 7,194	\$ (27,074)	\$ 37,830	\$ 1,799	\$ 2,548,446
Receipts:									
Local sources	-	349	350	-	-	-	-	-	3,316,971
Intermediate sources	-	-	-	-	-	-	-	-	325
State sources	-	-	-	-	-	-	-	-	5,290,799
Federal sources	-	6,435	-	34,734	31,600	94,290	-	-	527,953
Temporary loans	-	-	-	-	-	-	-	-	387,802
Other	-	-	-	-	-	-	1,350,544	188,473	1,545,985
Total receipts	-	6,784	350	34,734	31,600	94,290	1,350,544	188,473	11,069,835
Disbursements:									
Current:									
Instruction	-	-	-	36,340	37,678	70,639	-	-	3,980,776
Support services	29	4,792	305	-	-	507	-	-	2,701,336
Noninstructional services	-	1,160	-	-	-	-	-	-	444,306
Facilities acquisition and construction	-	-	-	-	-	-	-	-	186,809
Debt services	-	-	-	-	-	-	-	-	1,681,959
Nonprogrammed charges	-	-	-	-	-	-	1,355,275	189,753	1,545,028
Total disbursements	29	5,952	305	36,340	37,678	71,146	1,355,275	189,753	10,540,214
Excess (deficiency) of receipts over disbursements	(29)	832	45	(1,606)	(6,078)	23,144	(4,731)	(1,280)	529,621
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	253,880
Transfers out	-	-	-	-	-	-	-	-	(253,880)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29)	832	45	(1,606)	(6,078)	23,144	(4,731)	(1,280)	529,621
Cash and investments - ending	\$ -	\$ 709	\$ 45	\$ (1,411)	\$ 1,116	\$ (3,930)	\$ 33,099	\$ 519	\$ 3,078,067

WES-DEL 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 Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,152,381	\$ 411,385	\$ 55,560	\$ 238,715	\$ 509,513	\$ 161,441	\$ 419,425	\$ 13,602	\$ 9,802	\$ 65,279
Receipts:										
Local sources	9,794	580,108	86,322	667,664	435,472	153,821	-	-	194,765	63,363
Intermediate sources	228	-	-	-	-	-	-	-	-	-
State sources	5,180,296	-	-	-	-	-	-	-	-	30,562
Federal sources	-	-	-	-	-	-	-	-	197,372	-
Other	11,033	-	-	-	94	-	-	-	-	243
Total receipts	5,201,351	580,108	86,322	667,664	435,566	153,821	-	-	392,137	94,168
Disbursements:										
Current:										
Instruction	3,293,425	-	-	-	-	-	-	-	-	-
Support services	1,694,192	-	33,312	492,447	376,701	170,207	-	5,655	-	122,195
Noninstructional services	59,510	-	-	-	-	-	-	-	386,965	-
Facilities acquisition and construction	-	-	-	286,278	-	-	-	-	-	-
Debt services	-	599,000	103,525	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,047,127	599,000	136,837	778,725	376,701	170,207	-	5,655	386,965	122,195
Excess (deficiency) of receipts over disbursements	154,224	(18,892)	(50,515)	(111,061)	58,865	(16,386)	-	(5,655)	5,172	(28,027)
Other financing sources (uses):										
Transfers in	5,045	-	-	-	-	-	100,000	-	-	5,058
Transfers out	-	(5,058)	(5,045)	-	(100,000)	-	-	-	-	-
Total other financing sources (uses)	5,045	(5,058)	(5,045)	-	(100,000)	-	100,000	-	-	5,058
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	159,269	(23,950)	(55,560)	(111,061)	(41,135)	(16,386)	100,000	(5,655)	5,172	(22,969)
Cash and investments - ending	\$ 1,311,650	\$ 387,435	\$ -	\$ 127,654	\$ 468,378	\$ 145,055	\$ 519,425	\$ 7,947	\$ 14,974	\$ 42,310

WES-DEL 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)

	Educational License Plates	PDS - Elementary	United Way 2011-12	Schoolyard Habitat Grant	Thomas Donation	MC United Way	Curriculum Writing	Medical Reimbursement Refund	School Technology	Extended Background Checks
Cash and investments - beginning	\$ 253	\$ 80	\$ 4,680	\$ 132	\$ 500	\$ -	\$ 128	\$ -	\$ 28,764	\$ 29
Receipts:										
Local sources	-	-	20,000	-	-	136	-	-	-	1,131
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	6,576	-
Federal sources	-	-	-	-	-	-	-	-	13,677	-
Other	-	-	-	-	-	-	-	905	-	-
Total receipts	-	-	20,000	-	-	136	-	905	20,253	1,131
Disbursements:										
Current:										
Instruction	-	80	-	-	-	-	-	-	-	-
Support services	253	-	18,733	97	-	-	-	905	34,931	1,044
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	253	80	18,733	97	-	-	-	905	34,931	1,044
Excess (deficiency) of receipts over disbursements	(253)	(80)	1,267	(97)	-	136	-	-	(14,678)	87
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	(253)	(80)	1,267	(97)	-	136	-	-	(14,678)	87
Cash and investments - ending	\$ -	\$ -	\$ 5,947	\$ 35	\$ 500	\$ 136	\$ 128	\$ -	\$ 14,086	\$ 116

WES-DEL 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)

	Community Foundation	Gifted and Talented 2010-11	Title I 2010-11	Title I 2011-12	Summer Youth Employment	IDEA	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Drug Free Schools 2009-10	Nutritional Grant State	Healthy Living Elementary Fees
Cash and investments - beginning	\$ -	\$ 4,103	\$ (6,998)	\$ -	\$ (1,554)	\$ -	\$ (19,440)	\$ -	\$ 68	\$ 72
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	3,500	27,334	-	-	-	-	-	-	-	-
Federal sources	-	-	18,959	84,347	1,413	163,914	38,663	425	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	3,500	27,334	18,959	84,347	1,413	163,914	38,663	425	-	-
Disbursements:										
Current:										
Instruction	-	27,358	11,961	87,243	-	186,760	19,223	-	-	-
Support services	-	-	-	573	(141)	-	-	425	68	-
Noninstructional services	3,500	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,500	27,358	11,961	87,816	(141)	186,760	19,223	425	68	-
Excess (deficiency) of receipts over disbursements	-	(24)	6,998	(3,469)	1,554	(22,846)	19,440	-	(68)	-
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	-	(24)	6,998	(3,469)	1,554	(22,846)	19,440	-	(68)	-
Cash and investments - ending	\$ -	\$ 4,079	\$ -	\$ (3,469)	\$ -	\$ (22,846)	\$ -	\$ -	\$ -	\$ 72

WES-DEL 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)

	Team Nutrition Traning Grants	Healthy Living Elementary	Improving Teaching Quality No Child Left Title II, Part A	Title I Grants to LEAs	Special Education Part B	Education Jobs	Payroll Withholdings	Prepaid Lunch	Totals
Cash and investments - beginning	\$ 709	\$ 45	\$ (1,411)	\$ 1,116	\$ (3,930)	\$ -	\$ 33,099	\$ 519	\$ 3,078,067
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,212,576
Intermediate sources	-	-	-	-	-	-	-	-	228
State sources	-	-	-	-	-	-	-	-	5,248,268
Federal sources	-	-	35,704	2,426	16,499	165,589	-	-	738,988
Other	-	-	-	-	-	-	1,340,908	190,684	1,543,867
Total receipts	-	-	35,704	2,426	16,499	165,589	1,340,908	190,684	9,743,927
Disbursements:									
Current:									
Instruction	-	-	36,653	3,542	2,579	161,635	-	-	3,830,459
Support services	188	45	-	-	9,990	3,954	-	-	2,965,774
Noninstructional services	-	-	-	-	-	-	-	-	449,975
Facilities acquisition and construction	-	-	-	-	-	-	-	-	286,278
Debt services	-	-	-	-	-	-	-	-	702,525
Nonprogrammed charges	-	-	-	-	-	-	1,341,224	190,143	1,531,367
Total disbursements	188	45	36,653	3,542	12,569	165,589	1,341,224	190,143	9,766,378
Excess (deficiency) of receipts over disbursements	(188)	(45)	(949)	(1,116)	3,930	-	(316)	541	(22,451)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	110,103
Transfers out	-	-	-	-	-	-	-	-	(110,103)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(188)	(45)	(949)	(1,116)	3,930	-	(316)	541	(22,451)
Cash and investments - ending	\$ 521	\$ -	\$ (2,360)	\$ -	\$ -	\$ -	\$ 32,783	\$ 1,060	\$ 3,055,616

WES-DEL COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2012

The school has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Wes-Del Elementary School	\$ 6,885,000	\$ 599,000
School buses	<u>752,060</u>	<u>170,207</u>
Total governmental activities debt	<u>\$ 7,637,060</u>	<u>\$ 769,207</u>

WES-DEL COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
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>Primary Government</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 304,395
Buildings	9,431,324
Improvements other than buildings	20,078,046
Machinery and equipment	<u>4,303,145</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 34,116,910</u>

WES-DEL COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

ACADEMIC HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicated academic honors diplomas issued for the reporting period on Form 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2011.

The difference between the count reported on the Form 30A and the verified figures are shown below:

School Year	Grade	Count as Reported to the Department of Education	Actual Diplomas Issued	Difference
2009-10	Received in 2010-11	28	26	2

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)

COLLECTIONS (Applies to Wes-Del Elementary School)

Form SA-8s, Summary Collection Form, were not always properly completed. Some Form SA-8s did not note the breakdown of cash and checks and/or were not signed by the responsible individual.

Form SA 3, extra-curricular receipts, for the school did not indicate the amount of checks and cash when both were received.

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)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

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 WES-DEL COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

Compliance

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

This report is intended solely for the information and use of the School Corporation's management, the 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 11, 2013

(This page intentionally left blank.)

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.

WES-DEL 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.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 10-11	\$ 23,830	\$ -
		FY 11-12	-	27,849
National School Lunch Program	10.555			
		FY 10-11	180,686	-
		FY 11-12	-	188,838
Total for cluster			<u>204,516</u>	<u>216,687</u>
Team Nutrition Grants	10.574			
		A58-0-10SS-084	5,917	-
Total for federal grantor agency			<u>210,433</u>	<u>216,687</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		10-1885	19,871	-
		11-1885	79,063	18,006
		12-1885	-	84,347
Total for program			<u>98,934</u>	<u>102,353</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		ARRA-10-1885	37,678	3,541
Total for cluster			<u>235,546</u>	<u>208,247</u>
Pass-Through Muncie Community Schools Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
		14210-010-PN01	25,561	-
		14211-010-PN01	165,994	38,663
		14211-010-PN01	-	163,913
Total for program			<u>191,555</u>	<u>202,576</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	ARRA-14210-010-PN01	67,216	16,499
Total for cluster			<u>450,326</u>	<u>421,651</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
		09-1885	2,710	-
		10-1885	-	425
Total for program			<u>2,710</u>	<u>425</u>
Improving Teacher Quality State Grants	84.367			
		09-1885	4,305	-
		10-1885	30,623	5,347
		11-1885	-	30,357
Total for program			<u>34,928</u>	<u>35,704</u>
Education Jobs Fund	84.410			
		11-1885	-	165,589
Total for federal grantor agency			<u>723,510</u>	<u>831,616</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through Delaware County Public Health Emergency Preparedness	93.069			
		Middle School	432	68
		Elementary	305	45
Total for program			<u>737</u>	<u>113</u>
Preventive Health and Health Services Block Grant	93.991			
		A-70-8-19700-2	29	-
Total federal awards expended			<u>\$ 644,220</u>	<u>\$ 743,487</u>

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

WES-DEL 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 the Wes-Del 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	2010-11	2011-12
National School Lunch Program	10.555	\$ 20,861	\$ 23,021

WES-DEL 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:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

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

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

WES-DEL COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 11, 2013, with Stephen McColley, Superintendent of Schools; Sharon Fowler, Treasurer; Dick Johnson, President of the School Board; and Michael Bush, Technology Director.