

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

SHERIDAN COMMUNITY SCHOOLS  
HAMILTON COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
03/18/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Business/Treasurer	Robin Popejoy	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Derek Arrowood	07-01-10 to 06-30-13
President of the School Board	Alan Lyon Todd Roberts	07-01-10 to 12-31-12 01-01-13 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](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statement of the Sheridan 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 do 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 13, 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, 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 13, 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 SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

We have audited the financial statement of the Sheridan Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 13, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

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

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 findings identified in our audit is described in the accompanying Corrective Action Plan. 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 13, 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.

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SHERIDAN 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	\$ 112,848	\$ 7,201,509	\$ 7,342,935	\$ 28,578	\$ -	\$ 6,880,052	\$ 6,466,006	\$ -	\$ 414,046
Referendum Tax Levy	-	-	-	-	-	984,229	329,313	-	654,916
Debt Service	860,693	1,661,691	1,540,604	(800,000)	181,780	2,157,579	1,828,368	-	510,991
Retirement/Severance Bond Debt Service	50,538	102,552	103,637	-	49,453	104,674	100,498	-	53,629
Capital Projects	207,147	854,425	841,542	-	220,030	851,199	844,360	-	226,869
School Transportation	195,656	735,397	691,027	-	240,026	763,295	658,190	12,551	357,682
School Bus Replacement	103,516	224,106	202,798	(28,578)	96,246	160,302	-	-	256,548
Rainy Day	566,293	-	610,685	800,000	755,608	310,685	866,293	-	200,000
Construction	610,129	-	598,892	-	11,237	-	11,237	-	-
School Lunch	51,717	537,500	519,050	-	70,167	559,114	544,829	-	84,452
Textbook Rental	11,710	115,612	88,595	-	38,727	97,810	86,193	-	50,344
Educational License Plates	5,437	450	-	-	5,887	563	5,943	-	507
Safe Haven 2010-2011	-	16,499	16,156	-	343	-	343	-	-
Safe Haven 2011-2012	-	-	-	-	-	15,000	15,000	-	-
Moore Foundation	8,637	2,500	7,647	-	3,490	8,000	9,760	-	1,730
Donations	-	-	-	-	-	120	120	-	-
Donation, Adams PTO	50	-	-	-	50	-	50	-	-
Cultural Arts	1,197	-	1,197	-	-	-	-	-	-
Welfare Activities	242	405	193	-	454	130	239	-	345
Scholarships and Awards	2,066	17,750	17,000	-	2,816	30,800	17,700	-	15,916
Biddle Memorial	1,494	8,376	9,870	-	-	1,756	1,102	-	654
JBS United Inc, Donation	-	1,500	1,500	-	-	1,500	1,500	-	-
Urban Donations	-	10,000	2,338	-	7,662	1,250	6,590	-	2,322
Fuel Up to Play 60	-	-	-	-	-	2,971	1,897	-	1,074
Common Goal Graduation Coach	9,147	(12,500)	(3,353)	-	-	-	-	-	-
Indiana Cares Project	(146)	2,301	2,155	-	-	-	-	-	-
High Ability Grant 2010-2011	-	29,550	19,185	-	10,365	-	10,365	-	-
High Ability Grant 2011-2012	-	-	-	-	-	28,472	28,472	-	-
Non-English Speaking Programs P.L. 273-1999	-	1,388	1,388	-	-	782	782	-	-
School Technology	-	7,563	3,782	-	3,781	7,562	9,455	-	1,888
Miscellaneous Programs	-	25,000	24,826	-	174	-	174	-	-
ACS Chemistry Grant	-	-	-	-	-	1,497	1,497	-	-
Wall of Fame	-	9,780	9,776	-	4	50	54	-	-
Excess PTRC Distributions	9,203	3,348	-	-	12,551	-	-	(12,551)	-
Title I 2011-2012	-	-	-	-	-	184,934	194,430	9,386	(110)
Title I 2009-2010	20,158	-	7,431	(12,727)	-	-	-	-	-
Title I 2010-2011	-	133,378	125,795	12,727	20,310	1,368	12,292	(9,386)	-
Serve America	4,020	-	4,020	-	-	9,873	7,254	-	2,619
Learn & Serve 10-11	-	7,166	8,096	-	(930)	2,834	1,904	-	-
IDEA	-	-	-	-	-	50,365	52,401	-	(2,036)
Federal Grant Part B 2009-2010	3,106	-	3,106	-	-	-	-	-	-
Federal Grant Part B 2010-2011	-	48,670	51,102	-	(2,432)	3,324	892	-	-
LEA Tech Technology Award 2011	-	-	-	-	-	17,796	17,796	-	-
Title I Amendment	2,559	3,297	4,142	-	1,714	-	1,714	-	-
Title IV Safe & Drug Free 09	2,000	719	2,000	-	719	1,249	1,968	-	-
Depart of Health & Human Services 2009-10	1,691	27,423	29,114	-	-	23,277	23,277	-	-
Dept of Health & Human Services 2010-11	-	88,311	89,839	-	(1,528)	36,689	35,161	-	-
Depart of Health & Human Serv 2011-12	-	-	-	-	-	89,003	85,798	-	3,205
Title II Part A 2008-2009	973	-	973	-	-	28,706	29,366	-	(660)
Title II Part A 2009-2010	40,302	-	29,764	-	10,538	-	10,538	-	-
Title III Language Instruction	-	1,210	1,210	-	-	-	-	-	-
Title III Limited English	272	-	272	-	-	-	-	-	-
Title I - Grants to LEAs - ARRA	(11,303)	22,618	11,091	-	224	1,382	1,606	-	-
Special Education - Part B	5,878	59,836	68,547	-	(2,833)	19,117	16,284	-	-
Special Education - Part B - Preschool	2,269	1,638	4,274	-	(367)	1,465	1,098	-	-
Education Jobs	-	-	-	-	-	218,333	218,333	-	-
Payroll Clearing	8,131	1,741,388	1,749,519	-	-	1,559,676	1,559,676	-	-
Totals	\$ 2,887,630	\$ 13,692,356	\$ 14,843,720	\$ -	\$ 1,736,266	\$ 15,218,783	\$ 14,118,118	\$ -	\$ 2,836,931

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

SHERIDAN 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.

SHERIDAN 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.

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 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.

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.

*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:

SHERIDAN 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.

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.

SHERIDAN COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

SHERIDAN 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.

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Negative Receipts and Disbursements**

The financial statement contains receipts and disbursements which appear as negative entries. This is a result of removing receipts and disbursements from a prior fund year to the current fund year.

**Note 8. Cash Balance Deficits**

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by Sheridan Community Schools were not received by June 30, 2011 and 2012.

SHERIDAN COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. *Holding Corporation***

The School Corporation has entered into a capital lease with Sheridan Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year 2011 and 2012 totaled \$1,015,000 and \$1,100,500, respectively.

**Note 10. *Other Postemployment Benefits***

The School Corporation established a Voluntary Employees' Benefit Association (VEBA) trust, with an independent trustee, for the purpose of providing retiree medical benefits for retired employees and their dependents who become eligible upon accruing the required years of service. Approval from the IRS for the tax-exempt status of the trust was received on September 18, 2007.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

SHERIDAN 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	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 112,848	\$ -	\$ 860,693	\$ 50,538	\$ 207,147	\$ 195,656	\$ 103,516	\$ 566,293	\$ 610,129
Receipts:									
Local sources	86,419	-	1,661,691	102,552	849,416	735,237	224,106	-	-
Intermediate sources	1,848	-	-	-	-	-	-	-	-
State sources	6,755,425	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	310,685	-	-	-	-	-	-	-	-
Other	47,132	-	-	-	5,009	160	-	-	-
Total receipts	<u>7,201,509</u>	<u>-</u>	<u>1,661,691</u>	<u>102,552</u>	<u>854,425</u>	<u>735,397</u>	<u>224,106</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	4,557,443	-	-	-	-	-	-	300,000	-
Support services	2,528,319	-	-	-	741,245	691,027	202,798	-	598,892
Noninstructional services	257,173	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	100,297	-	-	-	-
Debt services	-	-	1,540,604	103,637	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	310,685	-
Total disbursements	<u>7,342,935</u>	<u>-</u>	<u>1,540,604</u>	<u>103,637</u>	<u>841,542</u>	<u>691,027</u>	<u>202,798</u>	<u>610,685</u>	<u>598,892</u>
Excess (deficiency) of receipts over disbursements	<u>(141,426)</u>	<u>-</u>	<u>121,087</u>	<u>(1,085)</u>	<u>12,883</u>	<u>44,370</u>	<u>21,308</u>	<u>(610,685)</u>	<u>(598,892)</u>
Other financing sources (uses):									
Transfers in	28,578	-	-	-	-	-	-	800,000	-
Transfers out	-	-	(800,000)	-	-	-	(28,578)	-	-
Total other financing sources (uses)	<u>28,578</u>	<u>-</u>	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,578)</u>	<u>800,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(112,848)</u>	<u>-</u>	<u>(678,913)</u>	<u>(1,085)</u>	<u>12,883</u>	<u>44,370</u>	<u>(7,270)</u>	<u>189,315</u>	<u>(598,892)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,780</u>	<u>\$ 49,453</u>	<u>\$ 220,030</u>	<u>\$ 240,026</u>	<u>\$ 96,246</u>	<u>\$ 755,608</u>	<u>\$ 11,237</u>

SHERIDAN 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)

	School Lunch	Textbook Rental	Educational License Plates	Safe Haven 2010-2011	Safe Haven 2011-2012	Moore Foundation	Donations	Donation, Adams PTO	Cultural Arts
Cash and investments - beginning	\$ 51,717	\$ 11,710	\$ 5,437	\$ -	\$ -	\$ 8,637	\$ -	\$ 50	\$ 1,197
Receipts:									
Local sources	306,779	69,848	-	-	-	2,500	-	-	-
Intermediate sources	-	-	450	-	-	-	-	-	-
State sources	6,962	28,688	-	16,499	-	-	-	-	-
Federal sources	221,564	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	2,195	17,076	-	-	-	-	-	-	-
Total receipts	<u>537,500</u>	<u>115,612</u>	<u>450</u>	<u>16,499</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	16,156	-	-	-	-	1,197
Support services	2,941	88,595	-	-	-	-	-	-	-
Noninstructional services	515,556	-	-	-	-	-	-	-	-
Facilities acquisition and construction	553	-	-	-	-	7,647	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>519,050</u>	<u>88,595</u>	<u>-</u>	<u>16,156</u>	<u>-</u>	<u>7,647</u>	<u>-</u>	<u>-</u>	<u>1,197</u>
Excess (deficiency) of receipts over disbursements	<u>18,450</u>	<u>27,017</u>	<u>450</u>	<u>343</u>	<u>-</u>	<u>(5,147)</u>	<u>-</u>	<u>-</u>	<u>(1,197)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>18,450</u>	<u>27,017</u>	<u>450</u>	<u>343</u>	<u>-</u>	<u>(5,147)</u>	<u>-</u>	<u>-</u>	<u>(1,197)</u>
Cash and investments - ending	<u>\$ 70,167</u>	<u>\$ 38,727</u>	<u>\$ 5,887</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 3,490</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>

SHERIDAN 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)

	Welfare Activities	Scholarships and Awards	Biddle Memorial	JBS United Inc, Donation	Urban Donations	Fuel Up to Play 60	Common Goal Graduation Coach	Indiana Cares Project
Cash and investments - beginning	\$ 242	\$ 2,066	\$ 1,494	\$ -	\$ -	\$ -	\$ 9,147	\$ (146)
Receipts:								
Local sources	405	17,750	8,376	1,500	10,000	-	(12,500)	2,301
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>405</u>	<u>17,750</u>	<u>8,376</u>	<u>1,500</u>	<u>10,000</u>	<u>-</u>	<u>(12,500)</u>	<u>2,301</u>
Disbursements:								
Current:								
Instruction	-	17,000	-	-	-	-	(3,353)	2,155
Support services	193	-	9,870	1,500	2,338	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>193</u>	<u>17,000</u>	<u>9,870</u>	<u>1,500</u>	<u>2,338</u>	<u>-</u>	<u>(3,353)</u>	<u>2,155</u>
Excess (deficiency) of receipts over disbursements	<u>212</u>	<u>750</u>	<u>(1,494)</u>	<u>-</u>	<u>7,662</u>	<u>-</u>	<u>(9,147)</u>	<u>146</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>212</u>	<u>750</u>	<u>(1,494)</u>	<u>-</u>	<u>7,662</u>	<u>-</u>	<u>(9,147)</u>	<u>146</u>
Cash and investments - ending	<u>\$ 454</u>	<u>\$ 2,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SHERIDAN 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)

	High Ability Grant 2010-2011	High Ability Grant 2011-2012	Non-English Speaking Programs P.L. 273-1999	School Technology	Miscellaneous Programs	ACS Chemistry Grant	Wall of Fame	Excess PTRC Distributions
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,203
Receipts:								
Local sources	-	-	-	-	25,000	-	9,780	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	29,550	-	1,388	7,563	-	-	-	3,348
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>29,550</u>	<u>-</u>	<u>1,388</u>	<u>7,563</u>	<u>25,000</u>	<u>-</u>	<u>9,780</u>	<u>3,348</u>
Disbursements:								
Current:								
Instruction	19,185	-	1,388	-	24,826	-	-	-
Support services	-	-	-	3,782	-	-	9,776	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>19,185</u>	<u>-</u>	<u>1,388</u>	<u>3,782</u>	<u>24,826</u>	<u>-</u>	<u>9,776</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>10,365</u>	<u>-</u>	<u>-</u>	<u>3,781</u>	<u>174</u>	<u>-</u>	<u>4</u>	<u>3,348</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>10,365</u>	<u>-</u>	<u>-</u>	<u>3,781</u>	<u>174</u>	<u>-</u>	<u>4</u>	<u>3,348</u>
Cash and investments - ending	<u>\$ 10,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,781</u>	<u>\$ 174</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 12,551</u>

SHERIDAN 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)

	Title I 2011-2012	Title I 2009-2010	Title I 2010-2011	Serve America	Learn & Serve 10-11	IDEA	Federal Grant Part B 2009-2010	Federal Grant Part B 2010-2011
Cash and investments - beginning	\$ -	\$ 20,158	\$ -	\$ 4,020	\$ -	\$ -	\$ 3,106	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	133,378	-	7,166	-	-	48,670
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	133,378	-	7,166	-	-	48,670
Disbursements:								
Current:								
Instruction	-	6,700	125,795	-	-	-	3,106	51,102
Support services	-	731	-	4,020	8,096	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	7,431	125,795	4,020	8,096	-	3,106	51,102
Excess (deficiency) of receipts over disbursements	-	(7,431)	7,583	(4,020)	(930)	-	(3,106)	(2,432)
Other financing sources (uses):								
Transfers in	-	-	12,727	-	-	-	-	-
Transfers out	-	(12,727)	-	-	-	-	-	-
Total other financing sources (uses)	-	(12,727)	12,727	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(20,158)	20,310	(4,020)	(930)	-	(3,106)	(2,432)
Cash and investments - ending	\$ -	\$ -	\$ 20,310	\$ -	\$ (930)	\$ -	\$ -	\$ (2,432)

SHERIDAN 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)

	LEA Tech Technology Award 2011	Title I Amendment	Title IV Safe & Drug Free 09	Depart of Health & Human Services 2009-10	Depart of Health & Human Services 2010-11	Dept of Health & Human Serv 2011-12	Title II Part A 2008-2009	Title II Part A 2009-2010
Cash and investments - beginning	\$ -	\$ 2,559	\$ 2,000	\$ 1,691	\$ -	\$ -	\$ 973	\$ 40,302
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	3,297	719	27,423	88,311	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	3,297	719	27,423	88,311	-	-	-
Disbursements:								
Current:								
Instruction	-	4,142	-	-	-	-	-	22,870
Support services	-	-	2,000	29,114	89,839	-	973	6,894
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	4,142	2,000	29,114	89,839	-	973	29,764
Excess (deficiency) of receipts over disbursements	-	(845)	(1,281)	(1,691)	(1,528)	-	(973)	(29,764)
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	-	(845)	(1,281)	(1,691)	(1,528)	-	(973)	(29,764)
Cash and investments - ending	\$ -	\$ 1,714	\$ 719	\$ -	\$ (1,528)	\$ -	\$ -	\$ 10,538

SHERIDAN 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)

	Title III Language Instruction	Title III Limited English	Title I - Grants to LEAs - ARRA	Special Education - Part B	Special Education - Part B - Preschool	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ 272	\$ (11,303)	\$ 5,878	\$ 2,269	\$ -	\$ 8,131	\$ 2,887,630
Receipts:								
Local sources	-	-	-	-	-	-	-	4,101,160
Intermediate sources	-	-	-	-	-	-	-	2,298
State sources	-	-	-	-	-	-	-	6,849,423
Federal sources	1,210	-	22,618	59,466	1,638	-	-	615,460
Interfund loans	-	-	-	-	-	-	-	310,685
Other	-	-	-	370	-	-	1,741,388	1,813,330
Total receipts	1,210	-	22,618	59,836	1,638	-	1,741,388	13,692,356
Disbursements:								
Current:								
Instruction	1,210	272	11,091	46,038	4,274	-	-	5,212,597
Support services	-	-	-	22,509	-	-	-	5,045,452
Noninstructional services	-	-	-	-	-	-	-	772,729
Facilities acquisition and construction	-	-	-	-	-	-	-	108,497
Debt services	-	-	-	-	-	-	-	1,644,241
Nonprogrammed charges	-	-	-	-	-	-	1,749,519	1,749,519
Interfund loans	-	-	-	-	-	-	-	310,685
Total disbursements	1,210	272	11,091	68,547	4,274	-	1,749,519	14,843,720
Excess (deficiency) of receipts over disbursements	-	(272)	11,527	(8,711)	(2,636)	-	(8,131)	(1,151,364)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	841,305
Transfers out	-	-	-	-	-	-	-	(841,305)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(272)	11,527	(8,711)	(2,636)	-	(8,131)	(1,151,364)
Cash and investments - ending	\$ -	\$ -	\$ 224	\$ (2,833)	\$ (367)	\$ -	\$ -	\$ 1,736,266

SHERIDAN 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	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ -	\$ -	\$ 181,780	\$ 49,453	\$ 220,030	\$ 240,026	\$ 96,246	\$ 755,608	\$ 11,237
Receipts:									
Local sources	96,518	384,229	2,157,579	104,674	840,067	761,995	160,302	-	-
Intermediate sources	21	-	-	-	-	-	-	-	-
State sources	6,768,873	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	600,000	-	-	-	-	-	310,685	-
Other	14,640	-	-	-	11,132	1,300	-	-	-
Total receipts	6,880,052	984,229	2,157,579	104,674	851,199	763,295	160,302	310,685	-
Disbursements:									
Current:									
Instruction	3,714,782	105,549	-	-	-	-	-	266,293	-
Support services	2,137,808	223,764	-	-	725,078	658,190	-	-	11,237
Noninstructional services	302,731	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	119,282	-	-	-	-
Debt services	-	-	1,828,368	100,498	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	310,685	-	-	-	-	-	-	600,000	-
Total disbursements	6,466,006	329,313	1,828,368	100,498	844,360	658,190	-	866,293	11,237
Excess (deficiency) of receipts over disbursements	414,046	654,916	329,211	4,176	6,839	105,105	160,302	(555,608)	(11,237)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	12,551	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	12,551	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	414,046	654,916	329,211	4,176	6,839	117,656	160,302	(555,608)	(11,237)
Cash and investments - ending	\$ 414,046	\$ 654,916	\$ 510,991	\$ 53,629	\$ 226,869	\$ 357,682	\$ 256,548	\$ 200,000	\$ -

SHERIDAN 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)

	School Lunch	Textbook Rental	Educational License Plates	Safe Haven 2010-2011	Safe Haven 2011-2012	Moore Foundation	Donations	Donation, Adams PTO	Cultural Arts
Cash and investments - beginning	\$ 70,167	\$ 38,727	\$ 5,887	\$ 343	\$ -	\$ 3,490	\$ -	\$ 50	\$ -
Receipts:									
Local sources	314,990	66,003	-	-	-	8,000	120	-	-
Intermediate sources	-	-	563	-	-	-	-	-	-
State sources	-	31,807	-	-	15,000	-	-	-	-
Federal sources	239,148	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	4,976	-	-	-	-	-	-	-	-
Total receipts	<u>559,114</u>	<u>97,810</u>	<u>563</u>	<u>-</u>	<u>15,000</u>	<u>8,000</u>	<u>120</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	343	15,000	-	-	-	-
Support services	3,263	86,193	5,943	-	-	-	120	50	-
Noninstructional services	538,122	-	-	-	-	-	-	-	-
Facilities acquisition and construction	3,444	-	-	-	-	9,760	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>544,829</u>	<u>86,193</u>	<u>5,943</u>	<u>343</u>	<u>15,000</u>	<u>9,760</u>	<u>120</u>	<u>50</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>14,285</u>	<u>11,617</u>	<u>(5,380)</u>	<u>(343)</u>	<u>-</u>	<u>(1,760)</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>14,285</u>	<u>11,617</u>	<u>(5,380)</u>	<u>(343)</u>	<u>-</u>	<u>(1,760)</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 84,452</u>	<u>\$ 50,344</u>	<u>\$ 507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SHERIDAN 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)

	Welfare Activities	Scholarships and Awards	Biddle Memorial	JBS United Inc, Donation	Urban Donations	Fuel Up to Play 60	Common Goal Graduation Coach	Indiana Cares Project
Cash and investments - beginning	\$ 454	\$ 2,816	\$ -	\$ -	\$ 7,662	\$ -	\$ -	\$ -
Receipts:								
Local sources	130	30,800	1,756	1,500	1,250	2,971	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>130</u>	<u>30,800</u>	<u>1,756</u>	<u>1,500</u>	<u>1,250</u>	<u>2,971</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	17,700	-	-	-	-	-	-
Support services	239	-	1,102	1,500	6,590	1,897	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>239</u>	<u>17,700</u>	<u>1,102</u>	<u>1,500</u>	<u>6,590</u>	<u>1,897</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(109)</u>	<u>13,100</u>	<u>654</u>	<u>-</u>	<u>(5,340)</u>	<u>1,074</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(109)</u>	<u>13,100</u>	<u>654</u>	<u>-</u>	<u>(5,340)</u>	<u>1,074</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 345</u>	<u>\$ 15,916</u>	<u>\$ 654</u>	<u>\$ -</u>	<u>\$ 2,322</u>	<u>\$ 1,074</u>	<u>\$ -</u>	<u>\$ -</u>

SHERIDAN 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)

	High Ability Grant 2010-2011	High Ability Grant 2011-2012	Non-English Speaking Programs P.L. 273-1999	School Technology	Miscellaneous Programs	ACS Chemistry Grant	Wall of Fame	Excess PTRC Distributions
Cash and investments - beginning	\$ 10,365	\$ -	\$ -	\$ 3,781	\$ 174	\$ -	\$ 4	\$ 12,551
Receipts:								
Local sources	-	-	-	-	-	1,497	50	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	28,472	782	7,562	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>28,472</u>	<u>782</u>	<u>7,562</u>	<u>-</u>	<u>1,497</u>	<u>50</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	10,365	28,472	782	-	174	-	-	-
Support services	-	-	-	9,455	-	1,497	54	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>10,365</u>	<u>28,472</u>	<u>782</u>	<u>9,455</u>	<u>174</u>	<u>1,497</u>	<u>54</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(10,365)</u>	<u>-</u>	<u>-</u>	<u>(1,893)</u>	<u>(174)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(12,551)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,551)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,365)</u>	<u>-</u>	<u>-</u>	<u>(1,893)</u>	<u>(174)</u>	<u>-</u>	<u>(4)</u>	<u>(12,551)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SHERIDAN 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)

	Title I 2011-2012	Title I 2009-2010	Title I 2010-2011	Serve America	Learn & Serve 10-11	IDEA	Federal Grant Part B 2009-2010	Federal Grant Part B 2010-2011
Cash and investments - beginning	\$ -	\$ -	\$ 20,310	\$ -	\$ (930)	\$ -	\$ -	\$ (2,432)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	184,934	-	1,368	9,873	2,834	50,365	-	3,324
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>184,934</u>	<u>-</u>	<u>1,368</u>	<u>9,873</u>	<u>2,834</u>	<u>50,365</u>	<u>-</u>	<u>3,324</u>
Disbursements:								
Current:								
Instruction	177,056	-	12,292	-	-	52,401	-	892
Support services	17,374	-	-	7,254	1,904	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>194,430</u>	<u>-</u>	<u>12,292</u>	<u>7,254</u>	<u>1,904</u>	<u>52,401</u>	<u>-</u>	<u>892</u>
Excess (deficiency) of receipts over disbursements	<u>(9,496)</u>	<u>-</u>	<u>(10,924)</u>	<u>2,619</u>	<u>930</u>	<u>(2,036)</u>	<u>-</u>	<u>2,432</u>
Other financing sources (uses):								
Transfers in	9,386	-	-	-	-	-	-	-
Transfers out	-	-	(9,386)	-	-	-	-	-
Total other financing sources (uses)	<u>9,386</u>	<u>-</u>	<u>(9,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(110)</u>	<u>-</u>	<u>(20,310)</u>	<u>2,619</u>	<u>930</u>	<u>(2,036)</u>	<u>-</u>	<u>2,432</u>
Cash and investments - ending	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,619</u>	<u>\$ -</u>	<u>\$ (2,036)</u>	<u>\$ -</u>	<u>\$ -</u>

SHERIDAN 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)

	LEA Tech Technology Award 2011	Title I Amendment	Title IV Safe & Drug Free 09	Dept of Health & Human Services 2009-10	Dept of Health & Human Services 2010-11	Dept of Health & Human Serv 2011-12	Title II Part A 2008-2009	Title II Part A 2009-2010
Cash and investments - beginning	\$ -	\$ 1,714	\$ 719	\$ -	\$ (1,528)	\$ -	\$ -	\$ 10,538
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	17,796	-	1,249	23,277	36,689	89,003	28,706	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	17,796	-	1,249	23,277	36,689	89,003	28,706	-
Disbursements:								
Current:								
Instruction	-	1,714	-	-	-	-	19,766	3,885
Support services	17,796	-	1,968	23,277	35,161	85,798	9,600	6,653
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	17,796	1,714	1,968	23,277	35,161	85,798	29,366	10,538
Excess (deficiency) of receipts over disbursements	-	(1,714)	(719)	-	1,528	3,205	(660)	(10,538)
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	-	(1,714)	(719)	-	1,528	3,205	(660)	(10,538)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,205	\$ (660)	\$ -

SHERIDAN 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)

	Title III Language Instruction	Title III Limited English	Title I - Grants to LEAs - ARRA	Special Education - Part B	Special Education - Part B - Preschool	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 224	\$ (2,833)	\$ (367)	\$ -	\$ -	\$ 1,736,266
Receipts:								
Local sources	-	-	-	-	-	-	-	4,934,431
Intermediate sources	-	-	-	-	-	-	-	584
State sources	-	-	-	-	-	-	-	6,852,496
Federal sources	-	-	1,382	19,117	1,465	218,333	-	928,863
Interfund loans	-	-	-	-	-	-	-	910,685
Other	-	-	-	-	-	-	1,559,676	1,591,724
Total receipts	-	-	1,382	19,117	1,465	218,333	1,559,676	15,218,783
Disbursements:								
Current:								
Instruction	-	-	1,225	16,284	1,098	218,333	-	4,664,406
Support services	-	-	381	-	-	-	-	4,081,146
Noninstructional services	-	-	-	-	-	-	-	840,853
Facilities acquisition and construction	-	-	-	-	-	-	-	132,486
Debt services	-	-	-	-	-	-	-	1,928,866
Nonprogrammed charges	-	-	-	-	-	-	1,559,676	1,559,676
Interfund loans	-	-	-	-	-	-	-	910,685
Total disbursements	-	-	1,606	16,284	1,098	218,333	1,559,676	14,118,118
Excess (deficiency) of receipts over disbursements	-	-	(224)	2,833	367	-	-	1,100,665
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	21,937
Transfers out	-	-	-	-	-	-	-	(21,937)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(224)	2,833	367	-	-	1,100,665
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,836,931

SHERIDAN COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS

***ADVANCE PAYMENTS - (APPLIES TO MIDDLE/HIGH SCHOOL)***

Each year the FFA takes a field trip in the summer. The Extra-Curricular Treasurer wrote a check for \$6,000 at the end of each school year to the First Farmers Bank & Trust, endorsed it, and gave the cash to the FFA sponsor to take and spend on the field trip. In return, the FFA sponsor turns in all receipts to support how the money was spent.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

***EXTRA-CURRICULAR FUNDS - CLASS FUND EXPENDITURES - (APPLIES TO MIDDLE/HIGH SCHOOL)***

During the 2011-12 school year, the Class of 2011 Fund was used for various items not relating to the Class of 2011, such as Debate/Speech Dues, reimbursements for Class of 2015 Homecoming supplies, and concession supplies. No documentation was provided to show the Class of 2011 approved these type of disbursements of their class funds.

The sponsor must also know that approval for the purchase has been given by the membership of the activity, as applicable, except in the case of athletic, school lunch, and textbook rental purchases. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Indiana Code 20-41-1-4(b) states in part:

". . . . Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class, or activity. However, in the case of athletic funds: (1) approval of the transfer must be made by the athletic director, who is regarded as the sponsor; and (2) participating students are not considered members. . . ."

***MILEAGE REIMBURSEMENT - (APPLIES TO MIDDLE/HIGH SCHOOL)***

Two employees were reimbursed for mileage without filing Mileage Claim, General Form 101.

One employee was not reimbursed the correct mileage. The actual miles driven were claimed for reimbursement instead of miles driven multiplied by the mileage rate. The employee reimbursed the school the amount they were overpaid on January 17, 2013.

Individuals requesting reimbursement for driving personal vehicles for extra-curricular purposes should properly complete a Mileage Claim, General Form 101, prior to receiving reimbursement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

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)

SHERIDAN COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

***INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

We noted a deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiency constitutes material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

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

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

***CAPITAL ASSET RECORDS***

Information presented for audit did not indicate an inventory or record of capital assets was maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***CREDIT CARDS***

The School Corporation used credit cards to purchase items with an approved credit card policy. However, the policy stated there should be administrative guidelines that specify the uses and supervision of those credit cards. There were no administrative guidelines in place during the audit period; however, the Superintendent of Schools has developed those in January 2013.

SHERIDAN COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

Various issues were noted while reviewing the credit card claims. There were 14 instances where charges were paid based off a credit card slip only or the charge listed on the credit card statement, no itemized receipt were attached. Examples of those charges included food purchases, supplies, postage, iTunes charges, and equipment.

It was also noted that sales tax was paid for various supplies on nine different occasions totaling \$83.99.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SHERIDAN COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

**TRAVEL CLAIMS**

The School Corporation did not reimburse travel based on their School Corporation's travel policy. The policy stated mileage would be reimbursed at \$.25 per mile, but after review of mileage reimbursed, it was determined the School Corporation reimbursed at the current federal mileage rate. The Superintendent of Schools updated the School Corporation's travel policy as of January 2013.

We also found one claim did not use the proper claim form, Mileage Claim (Form 101), to document miles traveled.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are of the audit position if an instructional employee is required to travel between schools, a provision should be made a part of the contract each school year specifying a maximum amount to be allowed for travel inside the school corporation and a maximum amount to be allowed for travel outside the school corporation. The employee must file an itemized claim for any mileage on General Form 101 (Mileage Claim), and other travel expenses must be claimed on Accounts Payable Voucher, Form 523. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

**EXPENSE REIMBURSEMENT ITEMIZATION**

During the review of claims paid to employees for reimbursement of expenses, twelve reimbursements were paid from a federal grant. The main deficiency noted on these reimbursements paid was a lack of supporting documentation. Expenses reimbursed included, mileage paid to a police officer totaling \$580.00 for driving 1,160 miles to Iowa for training, however, no documentation was attached to provide assurance there was training in Iowa related to the grant, plus no mileage form was filled out. The employee in charge of this grant was reimbursed \$425.80 for conference expenses; however, no documentation was attached to substantiate the expenses. This same individual was reimbursed \$1,183.39 based off her individual credit card statement only. Included on that credit statement were two charges which were claimed for reimbursement a second time on the following claim. Those two charges totaled \$78.97, and the School Corporation was reimbursed on January 31, 2013.

In a separate instance, another individual was reimbursed for expenses from a foundation fund which paid for meals, supplies and minor equipment for special education children, but again receipts were not itemized. The total reimbursed was \$1,857.65. Sales tax was reimbursed for some purchases of supplies. Due to no itemized documentation for a majority of meals claimed for reimbursement, meals were not easily identifiable as school related rather than personal.

All claims, invoices, receipts and accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom

SHERIDAN COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application should be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division.

Lodging for individuals in hotels and motels is not exempt from state sales tax. Therefore, reimbursements for lodging in approved travel status may include state sales tax. However, it should be kept in mind that claims for all such reimbursements must be supported by a fully itemized receipt showing date(s) of lodging, the name(s) of the person(s) occupying the room and the amount paid. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://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 SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

Compliance

We have audited the Sheridan 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. However the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2, 2012-3, and 2012-4.

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)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies, or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2, 2012-3, and 2012-4 to be material weaknesses.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. 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 13, 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.

SHERIDAN 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
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster National School Lunch Program	10.555			
		FY 10-11	\$ 249,663	\$ -
		FY 11-12	-	302,788
Total for federal grantor agency			<u>249,663</u>	<u>302,788</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010			
		10-3055	7,431	-
		11-3055	125,795	12,292
		12-3055	-	194,320
Total for program			<u>133,226</u>	<u>206,612</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		2011-2012	11,091	1,606
Total for cluster			<u>144,317</u>	<u>208,218</u>
Pass-Through Carmel Clay School Corporation Special Education Cluster (IDEA) Special Education - Grants to States	84.027			
		FY 09-10	3,106	-
		FY 10-11	52,813	2,605
		FY 11-12	-	68,161
Total for program			<u>55,919</u>	<u>70,766</u>
ARRA - Special Education Grants to States, Recovery Act	84.391			
		2011-2012	65,714	16,284
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		2011-2012	3,907	1,098
Total for cluster			<u>125,540</u>	<u>88,148</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
		FY 10-11	2,000	1,968
Pass-Through Wabash Valley Education Center English Language Acquisition State Grants	84.365			
		FY 09-10	272	-
		FY 10-11	1,210	-
Total for program			<u>1,482</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367			
		FY 09-10	29,764	10,538
		FY 10-11	973	28,706
Total for program			<u>30,737</u>	<u>39,244</u>
Pass-Through Indiana Department of Education Education Jobs Fund	84.410			
		FY 11-12	-	218,333
Total for federal grantor agency			<u>304,076</u>	<u>555,911</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Direct Grant Drug Free Communities Support Program Grants	93.276			
		5H79SP015657-02	29,114	23,277
		1H79SPO15657-01	88,311	35,161
		5H79SP015657-03	-	85,798
Total for federal grantor agency			<u>117,425</u>	<u>144,236</u>
Total federal awards expended			<u>\$ 671,164</u>	<u>\$ 1,002,935</u>

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

SHERIDAN 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 Sheridan 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	2011	2012
National School Lunch Program	10.555	\$ 28,099	\$ 34,947

SHERIDAN 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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
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?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title I, Part A Cluster  
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

We noted a deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible actives related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

SHERIDAN COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

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

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

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

***FINDING 2012-2 - ELIGIBILITY***

Federal Agency: United States Department of Agriculture  
Federal Program: National School Lunch  
CFDA Number: 10.555  
Federal Award Number and Year (or Other Identifying Number): FY 2011 and FY 2012  
Pass-Through Entity: Indiana Department of Education

While reviewing the School Corporation's process for determining a student's eligibility for free or deduced meals, it was noted that although the determination had been completed, the appropriate official failed to sign the application to provide documentation that the process had been completed. Even though the signature requirement was not compliance requirement of the program, it was a control requirement instituted by the Indiana Department of Education. The School Corporation did not establish these controls to ensure that the appropriate official had completed and signed the eligibility determination

Due to the magnitude of the weaknesses in internal controls, we have determined this to be a material weakness.

OMB Circular A-133 section .330(b) states:

"The auditee shall: Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended School Corporation officials establish controls to ensure approval is being documented.

SHERIDAN COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2012-3 - CASH MANAGEMENT***

Federal Agency: United States Department of Education  
Federal Program: Title I Grants to Local Educational Agencies, ARRA - Title I Grants to Local Educational Agencies, Recovery Act  
CFDA Number: 84.010 and 84.389  
Federal Award Number and Year (or Other Identifying Number): 10-3055, 11-3055, 12-3055 and FY 2011 ARRA and FY 2012 ARRA  
Pass-Through Entity: Indiana Department of Education

The following deficiencies were found within Sheridan Community Schools' cash management process during the audit of the Title I Federal program. In June 2011, the School Corporation had an excessive cash balance of \$20,310.04 while being on the reimbursement basis. Also, thirteen reimbursement claims did not have supporting documentation for the expenditures the School Corporation was requesting reimbursement for. School Corporation Officials were unable to determine the exact expenditures related to these 13 individual reimbursement claims. Internal controls related to the cash management compliance requirement were not operating effectively .

Due to the magnitude of weaknesses in internal controls, we have determined this to be a material weakness.

34 CFR Part 80.21(d) states in part:

"(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement."

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish effective controls related to the cash management compliance requirement of the Title I program. Supporting documentation should be available for individual reimbursement forms submitted and reimbursement requests should not be submitted until expenditures have been made.

SHERIDAN COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2012-4 - REPORTING**

Federal Agency: United States Department of Education  
Federal Program: Title I Grants to Local Educational Agencies, ARRA - Title I Grants to Local Educational Agencies, Recovery Act  
CFDA Number: 84.010 and 84.389  
Federal Award Number and Year (or Other Identifying Number): 10-3055, 11-3055, 12-3055 and FY 2011 ARRA and FY 2012 ARRA  
Pass-Through Entity: Indiana Department of Education

The following deficiency was found within Sheridan Community Schools' reporting process during the audit of the Title I Federal program. Based on audit procedures performed, there were thirteen instances noted where the individual monthly reimbursement forms were not supported by the School Corporation's records. Proper internal controls were not in place to ensure that the reporting was done correctly.

Due to the magnitude of the weaknesses in internal controls, we have determined this to be a material weakness.

34 CFR Part 80.41(d) states in part:

"(d) Request for advance or reimbursement.

- (1) Advance payments. Requests for Treasury check advance payments will be submitted on Standard Form 270, Request for Reimbursement. (This form will not be used for drawdowns under a letter of credit, electronic funds transfer or when Treasury check advance payments are made to the grantee automatically on a predetermined basis.)
- (2) Reimbursements. Requests for reimbursement under nonconstruction grants will also be submitted on Standard Form 270. (For reimbursement requests under construction grants, see paragraph (e) (1) of this section.)
- (3) The frequency for submitting payment requests is treated in Section 41 (b)(3)."

34 CFR 80.20(b) states in part:

"(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

SHERIDAN COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish effective controls related to the reporting compliance requirement of the Title I program. Supporting documentation should be available for individual reimbursement forms submitted.

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# Sheridan Community Schools

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*Dr. Derek Arrowood, Superintendent*

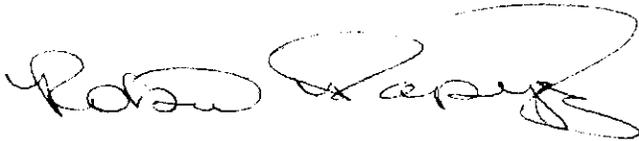
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## Summary Schedule of Prior Audit Findings

### FEDEARL FINDING 2010-2, INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Federal Program: ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act  
CFDA Number: 84.394  
Award Numbers: 2008-2009, 2009-2010  
Pass-Through: Indiana Department of Education

This has been resolved due to the Grant no longer is available.



Robin Popejoy  
Director of Business

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*Dr. Derek Arrowood, Superintendent*

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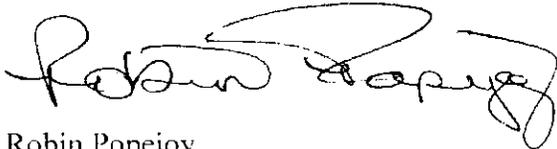
## Corrective Action Plan

### FEDERAL FINDING 2012-1, INTERNAL CONTROL OVER FINANCIAL TRANSACTIONS AND REPORTING

Auditee Contact Person: Robin Popejoy  
Contact Person Title: Director of Business  
Contact Phone Number: 317-758-4172

Sheridan Community Schools will assess their procedure and attempt to institute processes that would involve, at least on a sample basis, reviews of the duties being performed by the Treasurer, including, but not limited to preparing financial statements. Sheridan Community Schools will also monitor the system of internal control in the future to determine the effectiveness and efficiency of the systems in place.

Sheridan Community Schools is a very small governmental unit and management has determined that the cost associated with employing additional staff necessary to properly segregate the duties would outweigh the benefits of additional internal control structure. The School Corporation acknowledges and assumes the risk inherent with the current design of the School Corporation Treasurer.



Robin Popejoy  
Director of Business/Treasurer  
Sheridan Community Schools

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*Dr. Derek Arrowood, Superintendent*

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## Corrective Action Plan

FEDERAL FINDING 2012-2, ELIGIBILITY - INTERNAL CONTROL OVER ELIGIBILITY COMPLIANCE REQUIREMENT

Federal Agency: United States Department of Agriculture  
Federal Program: National School Lunch  
Pass-Through: Indiana Department of Education  
Federal Award Number and Year: FY 2011 and FY 2012  
CFDA Number: 10.555

Sheridan Community Schools will properly document approval for all Free and Reduced Meal applications.



Robin Popejoy  
Director of Business/Treasurer  
Sheridan Community Schools

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# Sheridan Community Schools

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*Dr. Derek Arrowood, Superintendent*

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## Corrective Action Plan

### FEDERAL FINDING 2012-3, INTERNAL CONTROLS OVER CASH MANAGEMENT

Federal Agency: United States Department of Education

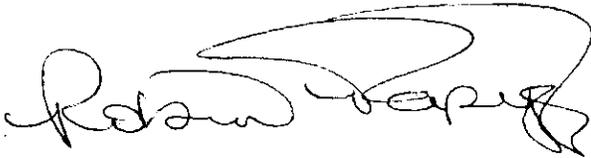
Federal Program: Title I Grants to Local Educational Agencies, ARRA - Title I Grants to Local Educational Agency, Recovery Act

Pass-Through: Indiana Department of Education

Federal Award Number and Year: 10-3055, 11-3055, 12-3055 and ARRA 2011-2012

CFDA Number: 84.010 and 84.389

Sheridan Community Schools will establish effective controls related to the cash management compliance requirement of the Title I program. Supporting documentation will be available for individual reimbursement forms submitted and reimbursement request will not be submitted until expenditures have been made.



Robin Popejoy  
Director of Business/Treasurer  
Sheridan Community Schools

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# Sheridan Community Schools

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*Dr. Derek Arrowood, Superintendent*

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## Corrective Action Plan

### FEDERAL FINDING 2012-4, INTERNAL CONTROLS OVER REPORTING

Federal Agency: United States Department of Education

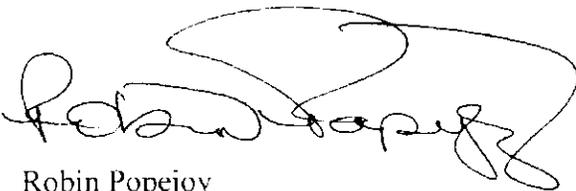
Federal Program: Title I Grants to Local Educational Agencies, ARRA -- Title I Grants to Local Educational Agency, Recovery Act

Pass-Through: Indiana Department of Education

Federal Award Number and Year: 10-3055, 11-3055, 12-3055 and ARRA 2011-2012

CFDA Number: 84.010 and 84.389

Sheridan Community Schools will establish effective controls related to reporting compliance requirement of the Title I program. Supporting documentation will be available for individual reimbursement forms submitted.



Robin Popejoy  
Director of Business/Treasurer  
Sheridan Community Schools

SHERIDAN COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2013, with Dr. Derek Arrowood, Superintendent of Schools; Robin Popejoy, Director of Business/Treasurer; and Alan Lyon, School Board member. The officials concurred with our audit findings.