

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

WARRICK COUNTY SCHOOL CORPORATION  
WARRICK 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>          |
|----------------------------------|------------------|----------------------|
| Treasurer                        | Sarah Evans      | 07-01-10 to 06-30-13 |
| Superintendent<br>of Schools     | Brad Schneider   | 07-01-10 to 06-30-13 |
| President of the<br>School Board | Gary Hachmeister | 07-01-10 to 06-30-13 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WARRICK COUNTY SCHOOL CORPORATION, WARRICK COUNTY, INDIANA

We have audited the accompanying financial statement of the Warrick County School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 25, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT  
(Continued)

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.



Bruce Hartman  
State Examiner

February 25, 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 WARRICK COUNTY SCHOOL  
CORPORATION, WARRICK COUNTY, INDIANA

We have audited the financial statement of the Warrick County School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 25, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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



Bruce Hartman  
State Examiner

February 25, 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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WARRICK COUNTY SCHOOL CORPORATION  
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<br>Investments<br>07-01-10 | Receipts              | Disbursements         | Other<br>Financing<br>Sources (Uses) | Cash and<br>Investments<br>06-30-11 | Receipts              | Disbursements         | Other<br>Financing<br>Sources (Uses) | Cash and<br>Investments<br>06-30-12 |
|---|-------------------------------------|-----------------------|-----------------------|--------------------------------------|-------------------------------------|-----------------------|-----------------------|--------------------------------------|-------------------------------------|
| General                                   | \$ 8,337,984                        | \$ 56,625,668         | \$ 55,119,142         | \$ 403,408                           | \$ 10,247,918                       | \$ 56,376,133         | \$ 57,237,502         | \$ 38,793                            | \$ 9,425,342                        |
| Debt Service                              | 4,595,767                           | 7,758,085             | 7,599,055             | (1,114,909)                          | 3,639,888                           | 7,856,402             | 6,679,500             | (29,830)                             | 4,786,960                           |
| Retirement/Severance Bond Debt Service    | 289,961                             | 1,900,581             | 1,919,816             | (76,371)                             | 194,355                             | 1,970,168             | 1,922,943             | (7,474)                              | 234,106                             |
| Capital Projects                          | 2,746,172                           | 8,741,524             | 7,592,212             | (1,915,879)                          | 1,979,605                           | 8,585,767             | 7,643,767             | (1,112,886)                          | 1,808,719                           |
| School Transportation                     | 641,643                             | 5,985,662             | 6,129,272             | 328,016                              | 826,049                             | 6,493,306             | 5,798,498             | 533,104                              | 2,053,961                           |
| School Bus Replacement                    | 50,099                              | 620,303               | 12,000                | (189,493)                            | 468,909                             | 704,174               | 612,854               | (153,436)                            | 406,793                             |
| Rainy Day                                 | 829,126                             | 1,751                 | 762,029               | 2,577,939                            | 2,646,787                           | 3,418                 | 2,282,086             | 1,115,736                            | 1,483,855                           |
| Retirement/Severance Bond                 | 478,953                             | 568                   | 220,558               | (95,000)                             | 163,963                             | -                     | 138,204               | -                                    | 25,759                              |
| Post-Retirement/Severance Future Benefits | 387,756                             | 585                   | 41,292                | (84,000)                             | 263,049                             | 299                   | 24,689                | -                                    | 238,659                             |
| Construction Technology                   | 29,601                              | -                     | 8,859                 | -                                    | 20,742                              | -                     | -                     | -                                    | 20,742                              |
| Construction                              | 230,779                             | 264                   | 193,126               | -                                    | 37,917                              | -                     | 1,795                 | -                                    | 36,122                              |
| School Lunch                              | 618,090                             | 4,032,355             | 3,869,251             | -                                    | 781,194                             | 4,528,736             | 4,243,714             | -                                    | 1,066,216                           |
| Textbook Rental                           | 620,028                             | 777,307               | 560,724               | (209,000)                            | 627,611                             | 832,163               | 1,172,675             | -                                    | 287,099                             |
| Self-Insurance                            | 1,017,657                           | 7,493,189             | 7,385,827             | -                                    | 1,125,019                           | 8,320,463             | 7,469,630             | 115,000                              | 2,090,852                           |
| Levy Excess                               | -                                   | 156,683               | -                     | 392,700                              | 549,383                             | 480                   | -                     | (446,566)                            | 103,297                             |
| Alternative Education                     | 692                                 | 16,794                | 17,486                | -                                    | -                                   | 14,952                | 14,952                | -                                    | -                                   |
| Safe Haven Grant 10-11                    | -                                   | 21,999                | 21,999                | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Safe Haven Grant 11-12                    | -                                   | -                     | -                     | -                                    | -                                   | 6,000                 | 12,000                | -                                    | (6,000)                             |
| WCSC Educator's Scholarship               | 1,150                               | -                     | -                     | -                                    | 1,150                               | -                     | -                     | -                                    | 1,150                               |
| Adult Computer Literacy Program           | 5,796                               | -                     | 5,796                 | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Strengthening Families 11-12              | -                                   | -                     | -                     | -                                    | -                                   | 13,500                | 13,500                | -                                    | -                                   |
| Pre-School Program                        | 4,283                               | -                     | 4,283                 | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Alcoa Foundation                          | 3,051                               | 20,000                | 18,767                | -                                    | 4,284                               | -                     | 3,427                 | -                                    | 857                                 |
| Alcoa Learn and Serve                     | -                                   | -                     | -                     | -                                    | -                                   | 20,000                | 18,685                | -                                    | 1,315                               |
| Alcoa Green Canopy                        | 1,227                               | -                     | 1,227                 | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Learning Exchange                         | 275                                 | 3,545                 | 1,820                 | -                                    | 2,000                               | 400                   | 2,400                 | -                                    | -                                   |
| WCSC Disaster Relief Donation             | 5                                   | -                     | -                     | -                                    | 5                                   | -                     | -                     | -                                    | 5                                   |
| Gifted and Talented 10-11                 | -                                   | 65,870                | 65,870                | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| High Ability (G/T) 11-12                  | -                                   | -                     | -                     | -                                    | -                                   | 65,777                | 65,777                | -                                    | -                                   |
| Non-English Speaking 09-10                | 54                                  | -                     | 54                    | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Non-English Speaking 10-11                | -                                   | 13,855                | 13,855                | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Non-English Speaking 11-12                | -                                   | -                     | -                     | -                                    | -                                   | 9,482                 | 9,482                 | -                                    | -                                   |
| School Technology                         | -                                   | 8,056                 | -                     | -                                    | 8,056                               | 7,891                 | -                     | -                                    | 15,947                              |
| Title I 11-8130                           | -                                   | 601,880               | 649,424               | 105,397                              | 57,853                              | 220,040               | 255,380               | (22,513)                             | -                                   |
| Title I 10-8130                           | 288,510                             | 37,983                | 221,096               | (105,397)                            | -                                   | -                     | -                     | -                                    | -                                   |
| Title I 12-8130                           | -                                   | -                     | -                     | -                                    | -                                   | 594,432               | 716,243               | 22,513                               | (99,298)                            |
| Learn and Serve 09-10                     | 10,751                              | -                     | 10,751                | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Learn and Serve 10-11                     | -                                   | 19,516                | 20,000                | -                                    | (484)                               | 484                   | -                     | -                                    | -                                   |
| Special Ed Grant                          | -                                   | -                     | -                     | -                                    | -                                   | 2,052,407             | 2,120,217             | -                                    | (67,810)                            |
| Special Ed Technology Grant               | -                                   | -                     | -                     | -                                    | -                                   | 31,395                | 31,395                | -                                    | -                                   |
| Preschool Grant                           | -                                   | -                     | -                     | -                                    | -                                   | 96,022                | 108,393               | -                                    | (12,371)                            |
| Title IV Part A 09-10                     | 3,856                               | -                     | 3,856                 | -                                    | -                                   | 4,235                 | 4,235                 | -                                    | -                                   |
| 21st Century Community Learning Center    | 10,000                              | 148,275               | 158,275               | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| 21st Century Learning 11-12               | -                                   | -                     | -                     | -                                    | -                                   | 183,750               | 183,695               | -                                    | 55                                  |
| Title II Part A 09-10                     | 90,705                              | -                     | 90,705                | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Title II Part A 10-11                     | -                                   | 161,760               | 177,665               | -                                    | (15,905)                            | 143,912               | 128,007               | -                                    | -                                   |
| Title II Part A 11-12                     | -                                   | -                     | -                     | -                                    | -                                   | 121,324               | 150,704               | -                                    | (29,380)                            |
| Title III English Proficiency 10-11       | -                                   | 16,940                | 16,940                | -                                    | -                                   | -                     | -                     | -                                    | -                                   |
| Title III English Proficiency 11-12       | -                                   | -                     | -                     | -                                    | -                                   | 16,166                | 16,166                | -                                    | -                                   |
| Title I - Grants to LEAs                  | 128,155                             | -                     | 119,228               | -                                    | 8,927                               | -                     | 8,927                 | -                                    | -                                   |
| Education Jobs                            | -                                   | 1,741,044             | 1,741,044             | -                                    | -                                   | 25,718                | 25,718                | -                                    | -                                   |
| Payroll Withholding                       | -                                   | 17,900,278            | 17,900,278            | -                                    | -                                   | 18,675,868            | 18,675,868            | -                                    | -                                   |
| <b>Totals</b>                             | <b>\$ 21,422,126</b>                | <b>\$ 114,872,320</b> | <b>\$ 112,673,582</b> | <b>\$ 17,411</b>                     | <b>\$ 23,638,275</b>                | <b>\$ 117,975,264</b> | <b>\$ 117,793,028</b> | <b>\$ 52,441</b>                     | <b>\$ 23,872,952</b>                |

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

WARRICK COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

*B. Basis of Accounting*

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

WARRICK COUNTY SCHOOL CORPORATION  
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.

Other receipts, which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, 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, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

*F. Other Financing Sources and Uses*

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

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

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.

WARRICK COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

WARRICK COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

WARRICK COUNTY SCHOOL CORPORATION  
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.

**Note 7. 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 grant agreements require that funds be expended prior to requesting reimbursements. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2011 and 2012.

WARRICK COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. Holding Corporations**

The School Corporation has entered into capital leases with Boonville Junior High School Building Corporation, Elberfeld - J. H. Castle School Building Corporation, Boonville High School - Castle Junior High School Building Corporation and Castle Middle School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years 2010-2011 and 2011-2012 totaled \$7,599,430, and \$6,673,399 respectively.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

|   | General              | Debt<br>Service     | Retirement/<br>Severance<br>Bond Debt<br>Service | Capital<br>Projects | School<br>Transportation | School<br>Bus<br>Replacement | Rainy<br>Day        | Retirement/<br>Severance<br>Bond |
|---|----------------------|---------------------|--|---------------------|--------------------------|------------------------------|---------------------|----------------------------------|
| Cash and investments - beginning  | \$ 8,337,984         | \$ 4,595,767        | \$ 289,961                                       | \$ 2,746,172        | \$ 641,643               | \$ 50,099                    | \$ 829,126          | \$ 478,953                       |
| Receipts:   |                      |                     |  |                     |                          |                              |                     |                                  |
| Local sources   | 605,340              | 7,758,085           | 1,900,581  | 8,741,524           | 5,944,660                | 620,303                      | 1,751               | 568                              |
| Intermediate sources  | 833                  | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| State sources   | 53,656,548           | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Federal sources   | 2,273,202            | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Other   | 89,745               | -                   | -  | -                   | 41,002                   | -                            | -                   | -                                |
| Total receipts  | <u>56,625,668</u>    | <u>7,758,085</u>    | <u>1,900,581</u>                                 | <u>8,741,524</u>    | <u>5,985,662</u>         | <u>620,303</u>               | <u>1,751</u>        | <u>568</u>                       |
| Disbursements:  |                      |                     |  |                     |                          |                              |                     |                                  |
| Current:  |                      |                     |  |                     |                          |                              |                     |                                  |
| Instruction   | 39,298,108           | -                   | -  | -                   | -                        | -                            | -                   | 220,558                          |
| Support services  | 14,451,935           | -                   | -  | 3,106,020           | 6,129,272                | 12,000                       | -                   | -                                |
| Noninstructional services   | 1,363,154            | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Facilities acquisition and construction   | -                    | -                   | -  | 4,486,192           | -                        | -                            | 762,029             | -                                |
| Debt services   | 5,945                | 7,599,055           | 1,919,816  | -                   | -                        | -                            | -                   | -                                |
| Nonprogrammed charges   | -                    | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Total disbursements   | <u>55,119,142</u>    | <u>7,599,055</u>    | <u>1,919,816</u>                                 | <u>7,592,212</u>    | <u>6,129,272</u>         | <u>12,000</u>                | <u>762,029</u>      | <u>220,558</u>                   |
| Excess (deficiency) of receipts over disbursements  | <u>1,506,526</u>     | <u>159,030</u>      | <u>(19,235)</u>                                  | <u>1,149,312</u>    | <u>(143,610)</u>         | <u>608,303</u>               | <u>(760,278)</u>    | <u>(219,990)</u>                 |
| Other financing sources (uses):   |                      |                     |  |                     |                          |                              |                     |                                  |
| Sale of capital assets  | 15,408               | -                   | -  | -                   | 503                      | -                            | 1,500               | -                                |
| Transfers in  | 388,000              | -                   | -  | -                   | 547,049                  | -                            | 2,576,439           | -                                |
| Transfers out   | -                    | (1,114,909)         | (76,371)   | (1,915,879)         | (219,536)                | (189,493)                    | -                   | (95,000)                         |
| Total other financing sources (uses)  | <u>403,408</u>       | <u>(1,114,909)</u>  | <u>(76,371)</u>                                  | <u>(1,915,879)</u>  | <u>328,016</u>           | <u>(189,493)</u>             | <u>2,577,939</u>    | <u>(95,000)</u>                  |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>1,909,934</u>     | <u>(955,879)</u>    | <u>(95,606)</u>                                  | <u>(766,567)</u>    | <u>184,406</u>           | <u>418,810</u>               | <u>1,817,661</u>    | <u>(314,990)</u>                 |
| Cash and investments - ending   | <u>\$ 10,247,918</u> | <u>\$ 3,639,888</u> | <u>\$ 194,355</u>                                | <u>\$ 1,979,605</u> | <u>\$ 826,049</u>        | <u>\$ 468,909</u>            | <u>\$ 2,646,787</u> | <u>\$ 163,963</u>                |

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

|   | Post<br>Retirement/<br>Severance<br>Future<br>Benefits | Construction<br>Technology | Construction | School<br>Lunch | Textbook<br>Rental | Self-<br>Insurance | Levy<br>Excess | Alternative<br>Education |
|---|--|----------------------------|--------------|-----------------|--------------------|--------------------|----------------|--------------------------|
| Cash and investments - beginning  | \$ 387,756   | \$ 29,601                  | \$ 230,779   | \$ 618,090      | \$ 620,028         | \$ 1,017,657       | \$ -           | \$ 692                   |
| Receipts:   |  |                            |              |                 |                    |                    |                |                          |
| Local sources   | 585  | -                          | 264          | 2,454,398       | 616,861            | 7,493,189          | 156,683        | -                        |
| Intermediate sources  | -  | -                          | -            | -               | -                  | -                  | -              | -                        |
| State sources   | -  | -                          | -            | 55,617          | 160,446            | -                  | -              | 16,794                   |
| Federal sources   | -  | -                          | -            | 1,512,690       | -                  | -                  | -              | -                        |
| Other   | -  | -                          | -            | 9,650           | -                  | -                  | -              | -                        |
| Total receipts  | 585  | -                          | 264          | 4,032,355       | 777,307            | 7,493,189          | 156,683        | 16,794                   |
| Disbursements:  |  |                            |              |                 |                    |                    |                |                          |
| Current:  |  |                            |              |                 |                    |                    |                |                          |
| Instruction   | 17,547   | -                          | -            | -               | -                  | -                  | -              | 17,486                   |
| Support services  | 23,745   | 8,859                      | -            | 2,215           | 560,724            | -                  | -              | -                        |
| Noninstructional services   | -  | -                          | -            | 3,867,036       | -                  | -                  | -              | -                        |
| Facilities acquisition and construction   | -  | -                          | 193,126      | -               | -                  | -                  | -              | -                        |
| Debt services   | -  | -                          | -            | -               | -                  | -                  | -              | -                        |
| Nonprogrammed charges   | -  | -                          | -            | -               | -                  | 7,385,827          | -              | -                        |
| Total disbursements   | 41,292   | 8,859                      | 193,126      | 3,869,251       | 560,724            | 7,385,827          | -              | 17,486                   |
| Excess (deficiency) of receipts over disbursements  | (40,707)   | (8,859)                    | (192,862)    | 163,104         | 216,583            | 107,362            | 156,683        | (692)                    |
| Other financing sources (uses):   |  |                            |              |                 |                    |                    |                |                          |
| Sale of capital assets  | -  | -                          | -            | -               | -                  | -                  | -              | -                        |
| Transfers in  | -  | -                          | -            | -               | -                  | -                  | 939,749        | -                        |
| Transfers out   | (84,000)   | -                          | -            | -               | (209,000)          | -                  | (547,049)      | -                        |
| Total other financing sources (uses)  | (84,000)   | -                          | -            | -               | (209,000)          | -                  | 392,700        | -                        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (124,707)  | (8,859)                    | (192,862)    | 163,104         | 7,583              | 107,362            | 549,383        | (692)                    |
| Cash and investments - ending   | \$ 263,049   | \$ 20,742                  | \$ 37,917    | \$ 781,194      | \$ 627,611         | \$ 1,125,019       | \$ 549,383     | \$ -                     |

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

|   | Safe Haven<br>Grant<br>10-11 | Safe Haven<br>Grant<br>11-12 | WCSC<br>Educator's<br>Scholarship | Adult<br>Computer<br>Literacy<br>Program | Strengthening<br>Families<br>11-12 | Pre-School<br>Program | Alcoa<br>Foundation | Alcoa Learn<br>and Serve |
|---|------------------------------|------------------------------|-----------------------------------|--|------------------------------------|-----------------------|---------------------|--------------------------|
| Cash and investments - beginning  | \$ -                         | \$ -                         | \$ 1,150                          | \$ 5,796                                 | \$ -                               | \$ 4,283              | \$ 3,051            | \$ -                     |
| Receipts:   |                              |                              |                                   |  |                                    |                       |                     |                          |
| Local sources   | -                            | -                            | -                                 | -  | -                                  | -                     | 20,000              | -                        |
| Intermediate sources  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| State sources   | 21,999                       | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Federal sources   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Other   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Total receipts  | 21,999                       | -                            | -                                 | -  | -                                  | -                     | 20,000              | -                        |
| Disbursements:  |                              |                              |                                   |  |                                    |                       |                     |                          |
| Current:  |                              |                              |                                   |  |                                    |                       |                     |                          |
| Instruction   | -                            | -                            | -                                 | 5,796                                    | -                                  | 4,283                 | 18,767              | -                        |
| Support services  | 21,999                       | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Noninstructional services   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Facilities acquisition and construction   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Debt services   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Nonprogrammed charges   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Total disbursements   | 21,999                       | -                            | -                                 | 5,796                                    | -                                  | 4,283                 | 18,767              | -                        |
| Excess (deficiency) of receipts over<br>disbursements   | -                            | -                            | -                                 | (5,796)                                  | -                                  | (4,283)               | 1,233               | -                        |
| Other financing sources (uses):   |                              |                              |                                   |  |                                    |                       |                     |                          |
| Sale of capital assets  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Transfers in  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Transfers out   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Total other financing sources (uses)  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | -                            | -                            | -                                 | (5,796)                                  | -                                  | (4,283)               | 1,233               | -                        |
| Cash and investments - ending   | \$ -                         | \$ -                         | \$ 1,150                          | \$ -                                     | \$ -                               | \$ -                  | \$ 4,284            | \$ -                     |

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

|   | Alcoa<br>Green<br>Canopy | Learning<br>Exchange | WCSC<br>Disaster Relief<br>Donation | Gifted and<br>Talented<br>10-11 | High Ability<br>(G/T)<br>11-12 | Non-English<br>Speaking<br>09-10 | Non-English<br>Speaking<br>10-11 | Non-English<br>Speaking<br>11-12 |
|---|--------------------------|----------------------|-------------------------------------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash and investments - beginning  | \$ 1,227                 | \$ 275               | \$ 5                                | \$ -                            | \$ -                           | \$ 54                            | \$ -                             | \$ -                             |
| Receipts:   |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Local sources   | -                        | 3,545                | -                                   | -                               | -                              | -                                | -                                | -                                |
| Intermediate sources  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| State sources   | -                        | -                    | -                                   | 65,870                          | -                              | -                                | 13,855                           | -                                |
| Federal sources   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Other   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Total receipts  | -                        | 3,545                | -                                   | 65,870                          | -                              | -                                | 13,855                           | -                                |
| Disbursements:  |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Current:  |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Instruction   | 1,227                    | 1,820                | -                                   | 65,870                          | -                              | 54                               | 13,855                           | -                                |
| Support services  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Noninstructional services   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Facilities acquisition and construction   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Debt services   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Nonprogrammed charges   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Total disbursements   | 1,227                    | 1,820                | -                                   | 65,870                          | -                              | 54                               | 13,855                           | -                                |
| Excess (deficiency) of receipts over disbursements  | (1,227)                  | 1,725                | -                                   | -                               | -                              | (54)                             | -                                | -                                |
| Other financing sources (uses):   |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Sale of capital assets  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Transfers in  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Transfers out   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Total other financing sources (uses)  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (1,227)                  | 1,725                | -                                   | -                               | -                              | (54)                             | -                                | -                                |
| Cash and investments - ending   | \$ -                     | \$ 2,000             | \$ 5                                | \$ -                            | \$ -                           | \$ -                             | \$ -                             | \$ -                             |

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

|   | School<br>Technology | Title I<br>11-8130 | Title I<br>10-8130 | Title I<br>12-8130 | Learn and<br>Serve<br>09-10 | Learn and<br>Serve<br>10-11 | Special Ed<br>Grant |
|---|----------------------|--------------------|--------------------|--------------------|-----------------------------|-----------------------------|---------------------|
| Cash and investments - beginning  | \$ -                 | \$ -               | \$ 288,510         | \$ -               | \$ 10,751                   | \$ -                        | \$ -                |
| Receipts:   |                      |                    |                    |                    |                             |                             |                     |
| Local sources   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Intermediate sources  | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| State sources   | 8,056                | -                  | -                  | -                  | -                           | -                           | -                   |
| Federal sources   | -                    | 601,880            | 37,983             | -                  | -                           | 19,516                      | -                   |
| Other   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Total receipts  | <u>8,056</u>         | <u>601,880</u>     | <u>37,983</u>      | <u>-</u>           | <u>-</u>                    | <u>19,516</u>               | <u>-</u>            |
| Disbursements:  |                      |                    |                    |                    |                             |                             |                     |
| Current:  |                      |                    |                    |                    |                             |                             |                     |
| Instruction   | -                    | 574,726            | 191,476            | -                  | 3,700                       | 10,751                      | -                   |
| Support services  | -                    | 64,853             | 27,842             | -                  | 7,051                       | 9,249                       | -                   |
| Noninstructional services   | -                    | 9,845              | 1,778              | -                  | -                           | -                           | -                   |
| Facilities acquisition and construction   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Debt services   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Nonprogrammed charges   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Total disbursements   | <u>-</u>             | <u>649,424</u>     | <u>221,096</u>     | <u>-</u>           | <u>10,751</u>               | <u>20,000</u>               | <u>-</u>            |
| Excess (deficiency) of receipts over disbursements  | <u>8,056</u>         | <u>(47,544)</u>    | <u>(183,113)</u>   | <u>-</u>           | <u>(10,751)</u>             | <u>(484)</u>                | <u>-</u>            |
| Other financing sources (uses):   |                      |                    |                    |                    |                             |                             |                     |
| Sale of capital assets  | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Transfers in  | -                    | 105,397            | -                  | -                  | -                           | -                           | -                   |
| Transfers out   | -                    | -                  | (105,397)          | -                  | -                           | -                           | -                   |
| Total other financing sources (uses)  | <u>-</u>             | <u>105,397</u>     | <u>(105,397)</u>   | <u>-</u>           | <u>-</u>                    | <u>-</u>                    | <u>-</u>            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>8,056</u>         | <u>57,853</u>      | <u>(288,510)</u>   | <u>-</u>           | <u>(10,751)</u>             | <u>(484)</u>                | <u>-</u>            |
| Cash and investments - ending   | <u>\$ 8,056</u>      | <u>\$ 57,853</u>   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>                 | <u>\$ (484)</u>             | <u>\$ -</u>         |

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

|   | Special Ed<br>Technology<br>Grant | Preschool<br>Grant | Title IV<br>Part A<br>09-10 | 21st Century<br>Community<br>Learning<br>Center | 21st Century<br>Learning<br>11-12 | Title II<br>Part A<br>09-10 | Title II<br>Part A<br>10-11 |
|---|-----------------------------------|--------------------|-----------------------------|---|-----------------------------------|-----------------------------|-----------------------------|
| Cash and investments - beginning  | \$ -                              | \$ -               | \$ 3,856                    | \$ 10,000                                       | \$ -                              | \$ 90,705                   | \$ -                        |
| Receipts:   |                                   |                    |                             |   |                                   |                             |                             |
| Local sources   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Intermediate sources  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| State sources   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Federal sources   | -                                 | -                  | -                           | 148,275   | -                                 | -                           | 161,760                     |
| Other   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Total receipts  | -                                 | -                  | -                           | 148,275   | -                                 | -                           | 161,760                     |
| Disbursements:  |                                   |                    |                             |   |                                   |                             |                             |
| Current:  |                                   |                    |                             |   |                                   |                             |                             |
| Instruction   | -                                 | -                  | -                           | 115,722   | -                                 | 89,664                      | 169,228                     |
| Support services  | -                                 | -                  | 2,757                       | 42,007  | -                                 | -                           | -                           |
| Noninstructional services   | -                                 | -                  | 1,099                       | 546   | -                                 | 1,041                       | 8,437                       |
| Facilities acquisition and construction   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Debt services   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Nonprogrammed charges   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Total disbursements   | -                                 | -                  | 3,856                       | 158,275   | -                                 | 90,705                      | 177,665                     |
| Excess (deficiency) of receipts over disbursements  | -                                 | -                  | (3,856)                     | (10,000)  | -                                 | (90,705)                    | (15,905)                    |
| Other financing sources (uses):   |                                   |                    |                             |   |                                   |                             |                             |
| Sale of capital assets  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Transfers in  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Transfers out   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Total other financing sources (uses)  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                                 | -                  | (3,856)                     | (10,000)  | -                                 | (90,705)                    | (15,905)                    |
| Cash and investments - ending   | \$ -                              | \$ -               | \$ -                        | \$ -  | \$ -                              | \$ -                        | \$ (15,905)                 |

WARRICK COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

|   | Title II<br>Part A<br>11-12 | Title III<br>English<br>Proficiency<br>10-11 | Title III<br>English<br>Proficiency<br>11-12 | Title I<br>Grants<br>to LEAs | Education<br>Jobs | Payroll<br>Withholding | Totals        |
|---|-----------------------------|--|--|------------------------------|-------------------|------------------------|---------------|
| Cash and investments - beginning  | \$ -                        | \$ -   | \$ -   | \$ 128,155                   | \$ -              | \$ -                   | \$ 21,422,126 |
| Receipts:   |                             |  |  |                              |                   |                        |               |
| Local sources   | -                           | -  | -  | -                            | -                 | -                      | 36,318,337    |
| Intermediate sources  | -                           | -  | -  | -                            | -                 | -                      | 833           |
| State sources   | -                           | -  | -  | -                            | -                 | -                      | 53,999,185    |
| Federal sources   | -                           | 16,940                                       | -  | -                            | 1,741,044         | -                      | 6,513,290     |
| Other   | -                           | -  | -  | -                            | -                 | 17,900,278             | 18,040,675    |
| Total receipts  | -                           | 16,940                                       | -  | -                            | 1,741,044         | 17,900,278             | 114,872,320   |
| Disbursements:  |                             |  |  |                              |                   |                        |               |
| Current:  |                             |  |  |                              |                   |                        |               |
| Instruction   | -                           | 16,940                                       | -  | 81,973                       | 1,741,044         | -                      | 42,660,595    |
| Support services  | -                           | -  | -  | 35,140                       | -                 | -                      | 24,505,668    |
| Noninstructional services   | -                           | -  | -  | 2,115                        | -                 | -                      | 5,255,051     |
| Facilities acquisition and construction   | -                           | -  | -  | -                            | -                 | -                      | 5,441,347     |
| Debt services   | -                           | -  | -  | -                            | -                 | -                      | 9,524,816     |
| Nonprogrammed charges   | -                           | -  | -  | -                            | -                 | 17,900,278             | 25,286,105    |
| Total disbursements   | -                           | 16,940                                       | -  | 119,228                      | 1,741,044         | 17,900,278             | 112,673,582   |
| Excess (deficiency) of receipts over disbursements  | -                           | -  | -  | (119,228)                    | -                 | -                      | 2,198,738     |
| Other financing sources (uses):   |                             |  |  |                              |                   |                        |               |
| Sale of capital assets  | -                           | -  | -  | -                            | -                 | -                      | 17,411        |
| Transfers in  | -                           | -  | -  | -                            | -                 | -                      | 4,556,634     |
| Transfers out   | -                           | -  | -  | -                            | -                 | -                      | (4,556,634)   |
| Total other financing sources (uses)  | -                           | -  | -  | -                            | -                 | -                      | 17,411        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                           | -  | -  | (119,228)                    | -                 | -                      | 2,216,149     |
| Cash and investments - ending   | \$ -                        | \$ -   | \$ -   | \$ 8,927                     | \$ -              | \$ -                   | \$ 23,638,275 |

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

|   | General             | Debt<br>Service     | Retirement/<br>Severance<br>Bond Debt<br>Service | Capital<br>Projects | School<br>Transportation | School<br>Bus<br>Replacement | Rainy<br>Day        | Retirement/<br>Severance<br>Bond |
|---|---------------------|---------------------|--|---------------------|--------------------------|------------------------------|---------------------|----------------------------------|
| Cash and investments - beginning  | \$ 10,247,918       | \$ 3,639,888        | \$ 194,355                                       | \$ 1,979,605        | \$ 826,049               | \$ 468,909                   | \$ 2,646,787        | \$ 163,963                       |
| Receipts:   |                     |                     |  |                     |                          |                              |                     |                                  |
| Local sources   | 1,029,352           | 7,856,402           | 1,970,168  | 8,545,173           | 6,432,684                | 704,174                      | 3,418               | -                                |
| Intermediate sources  | 833                 | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| State sources   | 55,289,769          | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Federal sources   | -                   | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Other   | 56,179              | -                   | -  | 40,594              | 60,622                   | -                            | -                   | -                                |
| Total receipts  | <u>56,376,133</u>   | <u>7,856,402</u>    | <u>1,970,168</u>                                 | <u>8,585,767</u>    | <u>6,493,306</u>         | <u>704,174</u>               | <u>3,418</u>        | <u>-</u>                         |
| Disbursements:  |                     |                     |  |                     |                          |                              |                     |                                  |
| Current:  |                     |                     |  |                     |                          |                              |                     |                                  |
| Instruction   | 40,122,675          | -                   | -  | -                   | -                        | -                            | -                   | 138,204                          |
| Support services  | 15,767,190          | -                   | -  | 2,849,615           | 5,798,498                | 612,854                      | 249,792             | -                                |
| Noninstructional services   | 1,347,637           | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Facilities acquisition and construction   | -                   | -                   | -  | 4,794,152           | -                        | -                            | 2,032,294           | -                                |
| Debt services   | -                   | 6,679,500           | 1,922,943  | -                   | -                        | -                            | -                   | -                                |
| Nonprogrammed charges   | -                   | -                   | -  | -                   | -                        | -                            | -                   | -                                |
| Total disbursements   | <u>57,237,502</u>   | <u>6,679,500</u>    | <u>1,922,943</u>                                 | <u>7,643,767</u>    | <u>5,798,498</u>         | <u>612,854</u>               | <u>2,282,086</u>    | <u>138,204</u>                   |
| Excess (deficiency) of receipts over disbursements  | <u>(861,369)</u>    | <u>1,176,902</u>    | <u>47,225</u>                                    | <u>942,000</u>      | <u>694,808</u>           | <u>91,320</u>                | <u>(2,278,668)</u>  | <u>(138,204)</u>                 |
| Other financing sources (uses):   |                     |                     |  |                     |                          |                              |                     |                                  |
| Sale of capital assets  | 38,793              | -                   | -  | -                   | 8,848                    | -                            | 4,800               | -                                |
| Transfers in  | -                   | -                   | -  | -                   | 549,863                  | -                            | 1,225,936           | -                                |
| Transfers out   | -                   | (29,830)            | (7,474)  | (1,112,886)         | (25,607)                 | (153,436)                    | (115,000)           | -                                |
| Total other financing sources (uses)  | <u>38,793</u>       | <u>(29,830)</u>     | <u>(7,474)</u>                                   | <u>(1,112,886)</u>  | <u>533,104</u>           | <u>(153,436)</u>             | <u>1,115,736</u>    | <u>-</u>                         |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(822,576)</u>    | <u>1,147,072</u>    | <u>39,751</u>                                    | <u>(170,886)</u>    | <u>1,227,912</u>         | <u>(62,116)</u>              | <u>(1,162,932)</u>  | <u>(138,204)</u>                 |
| Cash and investments - ending   | <u>\$ 9,425,342</u> | <u>\$ 4,786,960</u> | <u>\$ 234,106</u>                                | <u>\$ 1,808,719</u> | <u>\$ 2,053,961</u>      | <u>\$ 406,793</u>            | <u>\$ 1,483,855</u> | <u>\$ 25,759</u>                 |

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

|   | Post<br>Retirement/<br>Severance<br>Future<br>Benefits | Construction<br>Technology | Construction | School<br>Lunch | Textbook<br>Rental | Self-<br>Insurance | Levy<br>Excess | Alternative<br>Education |
|---|--|----------------------------|--------------|-----------------|--------------------|--------------------|----------------|--------------------------|
| Cash and investments - beginning  | \$ 263,049   | \$ 20,742                  | \$ 37,917    | \$ 781,194      | \$ 627,611         | \$ 1,125,019       | \$ 549,383     | \$ -                     |
| Receipts:   |  |                            |              |                 |                    |                    |                |                          |
| Local sources   | 299  | -                          | -            | 2,754,958       | 610,605            | 8,320,463          | 480            | -                        |
| Intermediate sources  | -  | -                          | -            | -               | -                  | -                  | -              | -                        |
| State sources   | -  | -                          | -            | 56,290          | 221,558            | -                  | -              | 14,952                   |
| Federal sources   | -  | -                          | -            | 1,699,904       | -                  | -                  | -              | -                        |
| Other   | -  | -                          | -            | 17,584          | -                  | -                  | -              | -                        |
| Total receipts  | 299  | -                          | -            | 4,528,736       | 832,163            | 8,320,463          | 480            | 14,952                   |
| Disbursements:  |  |                            |              |                 |                    |                    |                |                          |
| Current:  |  |                            |              |                 |                    |                    |                |                          |
| Instruction   | 18,254   | -                          | -            | -               | -                  | -                  | -              | 14,952                   |
| Support services  | 6,435  | -                          | -            | 2,441           | 1,172,675          | -                  | -              | -                        |
| Noninstructional services   | -  | -                          | -            | 4,241,273       | -                  | -                  | -              | -                        |
| Facilities acquisition and construction   | -  | -                          | 1,795        | -               | -                  | -                  | -              | -                        |
| Debt services   | -  | -                          | -            | -               | -                  | -                  | -              | -                        |
| Nonprogrammed charges   | -  | -                          | -            | -               | -                  | 7,469,630          | -              | -                        |
| Total disbursements   | 24,689   | -                          | 1,795        | 4,243,714       | 1,172,675          | 7,469,630          | -              | 14,952                   |
| Excess (deficiency) of receipts over disbursements  | (24,390)   | -                          | (1,795)      | 285,022         | (340,512)          | 850,833            | 480            | -                        |
| Other financing sources (uses):   |  |                            |              |                 |                    |                    |                |                          |
| Sale of capital assets  | -  | -                          | -            | -               | -                  | -                  | -              | -                        |
| Transfers in  | -  | -                          | -            | -               | -                  | 115,000            | 103,297        | -                        |
| Transfers out   | -  | -                          | -            | -               | -                  | -                  | (549,863)      | -                        |
| Total other financing sources (uses)  | -  | -                          | -            | -               | -                  | 115,000            | (446,566)      | -                        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (24,390)   | -                          | (1,795)      | 285,022         | (340,512)          | 965,833            | (446,086)      | -                        |
| Cash and investments - ending   | \$ 238,659   | \$ 20,742                  | \$ 36,122    | \$ 1,066,216    | \$ 287,099         | \$ 2,090,852       | \$ 103,297     | \$ -                     |

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

|   | Safe Haven<br>Grant<br>10-11 | Safe Haven<br>Grant<br>11-12 | WCSC<br>Educator's<br>Scholarship | Adult<br>Computer<br>Literacy<br>Program | Strengthening<br>Families<br>11-12 | Pre-School<br>Program | Alcoa<br>Foundation | Alcoa Learn<br>and Serve |
|---|------------------------------|------------------------------|-----------------------------------|--|------------------------------------|-----------------------|---------------------|--------------------------|
| Cash and investments - beginning  | \$ -                         | \$ -                         | \$ 1,150                          | \$ -                                     | \$ -                               | \$ -                  | \$ 4,284            | \$ -                     |
| Receipts:   |                              |                              |                                   |  |                                    |                       |                     |                          |
| Local sources   | -                            | -                            | -                                 | -  | 13,500                             | -                     | -                   | 20,000                   |
| Intermediate sources  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| State sources   | -                            | 6,000                        | -                                 | -  | -                                  | -                     | -                   | -                        |
| Federal sources   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Other   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Total receipts  | -                            | 6,000                        | -                                 | -  | 13,500                             | -                     | -                   | 20,000                   |
| Disbursements:  |                              |                              |                                   |  |                                    |                       |                     |                          |
| Current:  |                              |                              |                                   |  |                                    |                       |                     |                          |
| Instruction   | -                            | -                            | -                                 | -  | -                                  | -                     | 3,427               | 11,144                   |
| Support services  | -                            | 12,000                       | -                                 | -  | 13,500                             | -                     | -                   | 7,541                    |
| Noninstructional services   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Facilities acquisition and construction   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Debt services   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Nonprogrammed charges   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Total disbursements   | -                            | 12,000                       | -                                 | -  | 13,500                             | -                     | 3,427               | 18,685                   |
| Excess (deficiency) of receipts over disbursements  | -                            | (6,000)                      | -                                 | -  | -                                  | -                     | (3,427)             | 1,315                    |
| Other financing sources (uses):   |                              |                              |                                   |  |                                    |                       |                     |                          |
| Sale of capital assets  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Transfers in  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Transfers out   | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Total other financing sources (uses)  | -                            | -                            | -                                 | -  | -                                  | -                     | -                   | -                        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                            | (6,000)                      | -                                 | -  | -                                  | -                     | (3,427)             | 1,315                    |
| Cash and investments - ending   | \$ -                         | \$ (6,000)                   | \$ 1,150                          | \$ -                                     | \$ -                               | \$ -                  | \$ 857              | \$ 1,315                 |

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

|   | Alcoa<br>Green<br>Canopy | Learning<br>Exchange | WCSC<br>Disaster Relief<br>Donation | Gifted and<br>Talented<br>10-11 | High Ability<br>(G/T)<br>11-12 | Non-English<br>Speaking<br>09-10 | Non-English<br>Speaking<br>10-11 | Non-English<br>Speaking<br>11-12 |
|---|--------------------------|----------------------|-------------------------------------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash and investments - beginning  | \$ -                     | \$ 2,000             | \$ 5                                | \$ -                            | \$ -                           | \$ -                             | \$ -                             | \$ -                             |
| Receipts:   |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Local sources   | -                        | 400                  | -                                   | -                               | -                              | -                                | -                                | -                                |
| Intermediate sources  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| State sources   | -                        | -                    | -                                   | -                               | 65,777                         | -                                | -                                | 9,482                            |
| Federal sources   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Other   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Total receipts  | -                        | 400                  | -                                   | -                               | 65,777                         | -                                | -                                | 9,482                            |
| Disbursements:  |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Current:  |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Instruction   | -                        | 2,400                | -                                   | -                               | 65,777                         | -                                | -                                | 9,482                            |
| Support services  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Noninstructional services   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Facilities acquisition and construction   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Debt services   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Nonprogrammed charges   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Total disbursements   | -                        | 2,400                | -                                   | -                               | 65,777                         | -                                | -                                | 9,482                            |
| Excess (deficiency) of receipts over disbursements  | -                        | (2,000)              | -                                   | -                               | -                              | -                                | -                                | -                                |
| Other financing sources (uses):   |                          |                      |                                     |                                 |                                |                                  |                                  |                                  |
| Sale of capital assets  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Transfers in  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Transfers out   | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Total other financing sources (uses)  | -                        | -                    | -                                   | -                               | -                              | -                                | -                                | -                                |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                        | (2,000)              | -                                   | -                               | -                              | -                                | -                                | -                                |
| Cash and investments - ending   | \$ -                     | \$ -                 | \$ 5                                | \$ -                            | \$ -                           | \$ -                             | \$ -                             | \$ -                             |

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

|   | School<br>Technology | Title I<br>11-8130 | Title I<br>10-8130 | Title I<br>12-8130 | Learn and<br>Serve<br>09-10 | Learn and<br>Serve<br>10-11 | Special Ed<br>Grant |
|---|----------------------|--------------------|--------------------|--------------------|-----------------------------|-----------------------------|---------------------|
| Cash and investments - beginning  | \$ 8,056             | \$ 57,853          | \$ -               | \$ -               | \$ -                        | \$ (484)                    | \$ -                |
| Receipts:   |                      |                    |                    |                    |                             |                             |                     |
| Local sources   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Intermediate sources  | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| State sources   | 7,891                | -                  | -                  | -                  | -                           | -                           | -                   |
| Federal sources   | -                    | 220,040            | -                  | 594,432            | -                           | 484                         | 2,052,407           |
| Other   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Total receipts  | <u>7,891</u>         | <u>220,040</u>     | <u>-</u>           | <u>594,432</u>     | <u>-</u>                    | <u>484</u>                  | <u>2,052,407</u>    |
| Disbursements:  |                      |                    |                    |                    |                             |                             |                     |
| Current:  |                      |                    |                    |                    |                             |                             |                     |
| Instruction   | -                    | 215,069            | -                  | 631,466            | -                           | -                           | 1,585,880           |
| Support services  | -                    | 39,084             | -                  | 74,258             | -                           | -                           | 488,022             |
| Noninstructional services   | -                    | 1,227              | -                  | 10,519             | -                           | -                           | 46,315              |
| Facilities acquisition and construction   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Debt services   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Nonprogrammed charges   | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Total disbursements   | <u>-</u>             | <u>255,380</u>     | <u>-</u>           | <u>716,243</u>     | <u>-</u>                    | <u>-</u>                    | <u>2,120,217</u>    |
| Excess (deficiency) of receipts over disbursements  | <u>7,891</u>         | <u>(35,340)</u>    | <u>-</u>           | <u>(121,811)</u>   | <u>-</u>                    | <u>484</u>                  | <u>(67,810)</u>     |
| Other financing sources (uses):   |                      |                    |                    |                    |                             |                             |                     |
| Sale of capital assets  | -                    | -                  | -                  | -                  | -                           | -                           | -                   |
| Transfers in  | -                    | -                  | -                  | 22,513             | -                           | -                           | -                   |
| Transfers out   | -                    | (22,513)           | -                  | -                  | -                           | -                           | -                   |
| Total other financing sources (uses)  | <u>-</u>             | <u>(22,513)</u>    | <u>-</u>           | <u>22,513</u>      | <u>-</u>                    | <u>-</u>                    | <u>-</u>            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>7,891</u>         | <u>(57,853)</u>    | <u>-</u>           | <u>(99,298)</u>    | <u>-</u>                    | <u>484</u>                  | <u>(67,810)</u>     |
| Cash and investments - ending   | <u>\$ 15,947</u>     | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ (99,298)</u> | <u>\$ -</u>                 | <u>\$ -</u>                 | <u>\$ (67,810)</u>  |

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

|   | Special Ed<br>Technology<br>Grant | Preschool<br>Grant | Title IV<br>Part A<br>09-10 | 21st Century<br>Community<br>Learning<br>Center | 21st Century<br>Learning<br>11-12 | Title II<br>Part A<br>09-10 | Title II<br>Part A<br>10-11 |
|---|-----------------------------------|--------------------|-----------------------------|---|-----------------------------------|-----------------------------|-----------------------------|
| Cash and investments - beginning  | \$ -                              | \$ -               | \$ -                        | \$ -  | \$ -                              | \$ -                        | \$ (15,905)                 |
| Receipts:   |                                   |                    |                             |   |                                   |                             |                             |
| Local sources   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Intermediate sources  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| State sources   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Federal sources   | 31,395                            | 96,022             | 4,235                       | -   | 183,750                           | -                           | 143,912                     |
| Other   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Total receipts  | <u>31,395</u>                     | <u>96,022</u>      | <u>4,235</u>                | <u>-</u>  | <u>183,750</u>                    | <u>-</u>                    | <u>143,912</u>              |
| Disbursements:  |                                   |                    |                             |   |                                   |                             |                             |
| Current:  |                                   |                    |                             |   |                                   |                             |                             |
| Instruction   | -                                 | 106,025            | -                           | -   | 136,170                           | -                           | 125,756                     |
| Support services  | 31,395                            | -                  | 4,065                       | -   | 47,525                            | -                           | -                           |
| Noninstructional services   | -                                 | 2,368              | 170                         | -   | -                                 | -                           | 2,251                       |
| Facilities acquisition and construction   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Debt services   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Nonprogrammed charges   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Total disbursements   | <u>31,395</u>                     | <u>108,393</u>     | <u>4,235</u>                | <u>-</u>  | <u>183,695</u>                    | <u>-</u>                    | <u>128,007</u>              |
| Excess (deficiency) of receipts over disbursements  | <u>-</u>                          | <u>(12,371)</u>    | <u>-</u>                    | <u>-</u>  | <u>55</u>                         | <u>-</u>                    | <u>15,905</u>               |
| Other financing sources (uses):   |                                   |                    |                             |   |                                   |                             |                             |
| Sale of capital assets  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Transfers in  | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Transfers out   | -                                 | -                  | -                           | -   | -                                 | -                           | -                           |
| Total other financing sources (uses)  | <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>-</u>                          | <u>(12,371)</u>    | <u>-</u>                    | <u>-</u>  | <u>55</u>                         | <u>-</u>                    | <u>15,905</u>               |
| Cash and investments - ending   | <u>\$ -</u>                       | <u>\$ (12,371)</u> | <u>\$ -</u>                 | <u>\$ -</u>                                     | <u>\$ 55</u>                      | <u>\$ -</u>                 | <u>\$ -</u>                 |

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

|   | Title II<br>Part A<br>11-12 | Title III<br>English<br>Proficiency<br>10-11 | Title III<br>English<br>Proficiency<br>11-12 | Title I<br>Grants<br>to LEAs | Education<br>Jobs | Payroll<br>Withholding | Totals               |
|---|-----------------------------|--|--|------------------------------|-------------------|------------------------|----------------------|
| Cash and investments - beginning  | \$ -                        | \$ -   | \$ -   | \$ 8,927                     | \$ -              | \$ -                   | \$ 23,638,275        |
| Receipts:   |                             |  |  |                              |                   |                        |                      |
| Local sources   | -                           | -  | -  | -                            | -                 | -                      | 38,262,076           |
| Intermediate sources  | -                           | -  | -  | -                            | -                 | -                      | 833                  |
| State sources   | -                           | -  | -  | -                            | -                 | -                      | 55,671,719           |
| Federal sources   | 121,324                     | -  | 16,166                                       | -                            | 25,718            | -                      | 5,189,789            |
| Other   | -                           | -  | -  | -                            | -                 | 18,675,868             | 18,850,847           |
| Total receipts  | <u>121,324</u>              | <u>-</u>                                     | <u>16,166</u>                                | <u>-</u>                     | <u>25,718</u>     | <u>18,675,868</u>      | <u>117,975,264</u>   |
| Disbursements:  |                             |  |  |                              |                   |                        |                      |
| Current:  |                             |  |  |                              |                   |                        |                      |
| Instruction   | 146,231                     | -  | 16,166                                       | -                            | 25,718            | -                      | 43,374,796           |
| Support services  | -                           | -  | -  | 8,927                        | -                 | -                      | 27,185,817           |
| Noninstructional services   | 4,473                       | -  | -  | -                            | -                 | -                      | 5,656,233            |
| Facilities acquisition and construction   | -                           | -  | -  | -                            | -                 | -                      | 6,828,241            |
| Debt services   | -                           | -  | -  | -                            | -                 | -                      | 8,602,443            |
| Nonprogrammed charges   | -                           | -  | -  | -                            | -                 | 18,675,868             | 26,145,498           |
| Total disbursements   | <u>150,704</u>              | <u>-</u>                                     | <u>16,166</u>                                | <u>8,927</u>                 | <u>25,718</u>     | <u>18,675,868</u>      | <u>117,793,028</u>   |
| Excess (deficiency) of receipts over disbursements  | <u>(29,380)</u>             | <u>-</u>                                     | <u>-</u>                                     | <u>(8,927)</u>               | <u>-</u>          | <u>-</u>               | <u>182,236</u>       |
| Other financing sources (uses):   |                             |  |  |                              |                   |                        |                      |
| Sale of capital assets  | -                           | -  | -  | -                            | -                 | -                      | 52,441               |
| Transfers in  | -                           | -  | -  | -                            | -                 | -                      | 2,016,609            |
| Transfers out   | -                           | -  | -  | -                            | -                 | -                      | (2,016,609)          |
| Total other financing sources (uses)  | <u>-</u>                    | <u>-</u>                                     | <u>-</u>                                     | <u>-</u>                     | <u>-</u>          | <u>-</u>               | <u>52,441</u>        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(29,380)</u>             | <u>-</u>                                     | <u>-</u>                                     | <u>(8,927)</u>               | <u>-</u>          | <u>-</u>               | <u>234,677</u>       |
| Cash and investments - ending   | <u>\$ (29,380)</u>          | <u>\$ -</u>                                  | <u>\$ -</u>                                  | <u>\$ -</u>                  | <u>\$ -</u>       | <u>\$ -</u>            | <u>\$ 23,872,952</u> |

WARRICK COUNTY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2012

The School Corporation has entered into the following debt:

| Description of Debt   | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|---|--------------------------------|---|
| Governmental activities:                                      |                                |   |
| Capital leases:   |                                |   |
| Boonville High School and Castle Junior High School refunding | \$ 5,785,000                   | \$ 5,964,500  |
| Castle South Middle School 2007                               | 16,315,000                     | 2,335,513   |
| Castle South Middle School 2008                               | 10,000,000                     | 375,480   |
| Bonds payable:  |                                |   |
| General obligation bonds:                                     |                                |   |
| Retirement/Severance  | 4,425,000                      | 1,924,082   |
| State temporary loan  | <u>299,564</u>                 | <u>299,564</u>                                      |
| Total governmental activities debt                            | <u>\$ 36,824,564</u>           | <u>\$ 10,899,139</u>                                |

WARRICK COUNTY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| <u>Primary Government</u>                         | <u>Ending<br/>Balance</u>        |
|---|----------------------------------|
| Governmental activities:                          |                                  |
| Capital assets, not being depreciated:            |                                  |
| Land  | \$ 1,464,200                     |
| Buildings   | 179,322,471                      |
| Improvements other than buildings                 | 1,287,000                        |
| Machinery and equipment                           | <u>44,032,731</u>                |
| <br>Total governmental activities, capital assets | <br><u><u>\$ 226,106,402</u></u> |

WARRICK COUNTY SCHOOL CORPORATION  
OTHER REPORT

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

Castle High School Extra-Curricular Account

WARRICK COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***INTERNAL CONTROLS - SEGREGATION OF DUTIES (Applies to all schools)***

The controls over the receipting, recording, and accounting for the textbook rental activities were insufficient.

Activities related to the collection of textbook rental and student fees were not separated. These activities included collection and posting of payments, depositing receipts, and bank reconciliations. Control activities should have been selected and developed to reduce the risk of irregularities remaining undetected.

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. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

***FINANCIAL REPORT (FORM SA5-1) (Applies to Boonville Middle School)***

The Financial Report (Form SA5-1) was not in balance. The difference was due to posting errors. The differences varied throughout the audit period from a high of \$9,500 to the ending difference of (\$2,528) for a total change in difference of \$12,028. The largest change in the difference occurred in April 2011 when a CD for \$12,000 was cashed in. However, the reconciled bank balance agreed with the ledger balance throughout the audit period.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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)

***OPTICAL IMAGES OF CHECKS (Applies to John H. Castle, Loge, Oakdale, Sharon, and Yankeetown Elementary Schools)***

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

WARRICK COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

***OLD OUTSTANDING CHECKS (Applies to Chandler, Newburgh, Sharon, and Yankeetown Elementary Schools)***

Our review of the bank reconcilements as of May 31, 2012, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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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 WARRICK COUNTY SCHOOL  
CORPORATION, WARRICK COUNTY, INDIANA

Compliance

We have audited the Warrick County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

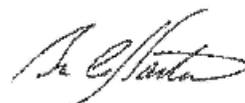
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Bruce Hartman  
State Examiner

February 25, 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.

WARRICK COUNTY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012

| Federal Grantor Agency/Pass-Through Entity<br>Cluster Title/Program Title/Project Title | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Total<br>Federal Awards<br>Expended<br>06-30-11 | Total<br>Federal Awards<br>Expended<br>06-30-12 |
|---|---------------------------|--|---|---|
| <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>  |                           |  |   |   |
| Pass-Through Indiana Department of Education  |                           |  |   |   |
| Child Nutrition Cluster   |                           |  |   |   |
| School Breakfast Program  | 10.553                    |  |   |   |
|   |                           | FY 10/11   | \$ 295,785                                      | \$ -  |
|   |                           | FY 11/12   | -   | 351,423   |
| Total for program   |                           |  | <u>295,785</u>                                  | <u>351,423</u>                                  |
| National School Lunch Program   | 10.555                    |  |   |   |
|   |                           | FY 10/11   | 1,415,603                                       | -   |
|   |                           | FY 11/12   | -   | 1,583,870                                       |
| Total for program   |                           |  | <u>1,415,603</u>                                | <u>1,583,870</u>                                |
| Summer Food Service Program for Children  | 10.559                    |  |   |   |
|   |                           | FY 10/11   | 31,472  | -   |
|   |                           | FY 11/12   | -   | 34,628  |
| Total for program   |                           |  | <u>31,472</u>                                   | <u>34,628</u>                                   |
| Total for cluster   |                           |  | <u>1,742,860</u>                                | <u>1,969,921</u>                                |
| Total for federal grantor agency  |                           |  | <u>1,742,860</u>                                | <u>1,969,921</u>                                |
| <b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>                                  |                           |  |   |   |
| Pass-Through Indiana State Library  |                           |  |   |   |
| Grants to States  |                           |  |   |   |
|   | 45.310                    |  |   |   |
|   |                           | T10-2-2(2)   | 8,218   | -   |
|   |                           | T10-2-2(52)  | -   | 8,623   |
| Total for federal grantor agency  |                           |  | <u>8,218</u>                                    | <u>8,623</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                    |  |   |   |
|   |                           | 10-8130  | 221,096   | -   |
|   |                           | 11-8130  | 649,424   | 232,868   |
|   |                           | 12-8130  | -   | 616,945   |
| Total for program   |                           |  | <u>870,520</u>                                  | <u>849,813</u>                                  |
| ARRA Title I Grants to Local Educational Agencies, Recovery Act                         | 84.389                    |  |   |   |
|   |                           | 8130   | 119,228   | 8,927   |
| Total for cluster   |                           |  | <u>989,748</u>                                  | <u>858,740</u>                                  |
| Special Education Cluster (IDEA)  |                           |  |   |   |
| Special Education-Grants to States  | 84.027                    |  |   |   |
|   |                           | 14211-020-PN01   | 2,147,831                                       | -   |
|   |                           | 14212-91-PN01  | -   | 2,052,407                                       |
|   |                           | FY 11/12   | -   | 31,395  |
| Total for program   |                           |  | <u>2,147,831</u>                                | <u>2,083,802</u>                                |

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

WARRICK COUNTY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012  
(Continued)

| Federal Grantor Agency/Pass-Through Entity<br>Cluster Title/Program Title/Project Title | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Total<br>Federal Awards<br>Expended<br>06-30-11 | Total<br>Federal Awards<br>Expended<br>06-30-12 |
|---|---------------------------|--|---|---|
| <u>U.S. DEPARTMENT OF EDUCATION (continued)</u>   |                           |  |   |   |
| Pass-Through Indiana Department of Education (continued)                                |                           |  |   |   |
| Special Education Cluster (IDEA) (continued)  |                           |  |   |   |
| Special Education-Preschool Grants  | 84.173                    |  |   |   |
|   |                           | 14711-020-PN01   | 125,371   | -   |
|   |                           | 45712-91-PN01  | -   | 96,022  |
|   |                           |  | <u>125,371</u>                                  | <u>96,022</u>                                   |
| Total for program   |                           |  | <u>125,371</u>                                  | <u>96,022</u>                                   |
| Total for cluster   |                           |  | <u>2,273,202</u>                                | <u>2,179,824</u>                                |
| Pass-Through Metropolitan School District of Mount Vernon                               |                           |  |   |   |
| Safe and Drug-Free Schools and Communities-National Programs                            | 84.184                    |  |   |   |
|   |                           | Q184L080320  | 141,406   | 146,912   |
| Pass-Through Indiana Department of Education  |                           |  |   |   |
| Safe and Drug-Free Schools and Communities-State Grants                                 | 84.186                    |  |   |   |
|   |                           | 09-8130  | 3,856   | 4,235   |
| Twenty-First Century Community Learning Centers   |                           |  |   |   |
|   | 84.287                    |  |   |   |
|   |                           | 11-8131  | 158,275   | -   |
|   |                           | 12-8130  | -   | 183,695   |
|   |                           |  | <u>158,275</u>                                  | <u>183,695</u>                                  |
| Total for program   |                           |  | <u>158,275</u>                                  | <u>183,695</u>                                  |
| English Language Acquisition Grants   |                           |  |   |   |
|   | 84.365                    |  |   |   |
|   |                           | 11-8130  | 16,940  | -   |
|   |                           | 12-8130  | -   | 16,166  |
|   |                           |  | <u>16,940</u>                                   | <u>16,166</u>                                   |
| Total for program   |                           |  | <u>16,940</u>                                   | <u>16,166</u>                                   |
| Improving Teacher Quality State Grants  |                           |  |   |   |
|   | 84.367                    |  |   |   |
|   |                           | 09-8130  | 90,705  | -   |
|   |                           | 10-8130  | 161,760   | 143,912   |
|   |                           | 11-8130  | -   | 121,324   |
|   |                           |  | <u>252,465</u>                                  | <u>265,236</u>                                  |
| Total for program   |                           |  | <u>252,465</u>                                  | <u>265,236</u>                                  |
| Education Jobs Fund   |                           |  |   |   |
|   | 84.410                    | 8130   |   |   |
|   |                           |  | 1,741,044                                       | 25,720  |
| Total for federal grantor agency  |                           |  | <u>5,576,936</u>                                | <u>3,680,528</u>                                |
| <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>                                   |                           |  |   |   |
| Pass-Through Indiana Department of Education  |                           |  |   |   |
| Learn and Serve America-School and Community Based Programs                             | 94.004                    |  |   |   |
|   |                           | FY 09/10   | 10,751  | -   |
|   |                           | FY 10/11   | 19,516  | 484   |
|   |                           |  | <u>30,267</u>                                   | <u>484</u>                                      |
| Total for federal grantor agency  |                           |  | <u>30,267</u>                                   | <u>484</u>                                      |
| Total federal awards expended   |                           |  | <u>\$ 7,358,281</u>                             | <u>\$ 5,659,556</u>                             |

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

WARRICK COUNTY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

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

**Note 2. Noncash Assistance**

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

| Program Title           | 2011       | 2012       |
|-------------------------|------------|------------|
| Child Nutrition Cluster | \$ 230,168 | \$ 270,016 |

WARRICK COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

|  |               |
|--|---------------|
| Internal control over major programs:  |               |
| Material weaknesses identified?  | no            |
| Significant deficiencies identified?   | none reported |
| Type of auditor's report issued on compliance for major programs:  | Unqualified   |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? | no            |

Identification of Major Programs:

| CFDA<br>Number | Name of Federal Program or Cluster  |
|----------------|---|
| 84.410         | Child Nutrition Cluster<br>Special Education Cluster<br>Education Jobs Fund |

Dollar threshold used to distinguish between Type A and Type B programs: \$390,535

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

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

No matters are reportable.

WARRICK COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 25, 2013, with Sarah Evans, Treasurer; Brad Schneider, Superintendent of Schools; Todd Armstrong, Assistant Superintendent of Schools; and Gary Hachmeister, President of the School Board. The officials concurred with our audit findings.