

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

NORTH WEST HENDRICKS SCHOOL CORPORATION  
HENDRICKS COUNTY, INDIANA

July 1, 2011 to June 30, 2013



**FILED**  
03/25/2014



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pat Willard Kristina James	07-01-11 to 08-28-11 08-29-11 to 06-30-14
Superintendent of Schools	Richard G. King	07-01-11 to 06-30-14
President of the School Board	Connie L. Bowman	07-01-11 to 06-30-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTH WEST HENDRICKS  
SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of the North West Hendricks School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2011 to June 30, 2013.

***Opinion on Regulatory Basis of Accounting***

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, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2014, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

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 records 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

  
Paul D. Joyce, CPA  
State Examiner

February 18, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE NORTH WEST HENDRICKS  
SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

We have audited, 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, the financial statement of the North West Hendricks School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated February 18, 2014, 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.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

INDEPENDENT AUDITOR'S 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002.

***North West Hendricks School Corporation's Response to Findings***

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 18, 2014

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## 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.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 1,205,142	\$ 10,142,047	\$ 9,924,174	\$ 22,665	\$ 1,445,680	\$ 10,616,424	\$ 10,679,697	\$ -	\$ 1,382,407
Debt Service	1,282,885	5,586,716	5,724,696	-	1,144,905	5,877,731	6,033,512	-	989,124
Retirement/Severance Bond Debt Service	99,702	224,630	238,877	-	85,455	233,035	236,689	-	81,801
Capital Projects	310,162	1,186,210	1,299,435	-	196,937	1,168,155	846,446	-	518,646
School Transportation	601,959	824,453	783,510	(100,000)	542,902	869,407	721,403	-	690,906
School Bus Replacement	398,141	899,489	846,875	-	450,755	960,115	890,753	-	520,117
Rainy Day	725,000	-	-	50,000	775,000	-	-	-	775,000
Retirement/Severance Bond	59,810	-	(14,767)	34,833	109,410	-	16,853	-	92,557
Construction	(3,292)	-	(3,293)	-	1	-	-	-	1
School Corporation Construction Fund 2008	522,830	138	-	-	522,968	134	500,000	-	23,102
School Lunch	97,249	947,977	903,626	-	141,600	925,025	923,667	-	142,958
Textbook Rental	179,985	325,015	351,628	-	153,372	334,914	249,308	-	238,978
Self-Insurance	(26,145)	1,654,127	1,577,838	-	50,144	1,219,865	2,113,566	-	(843,557)
Levy Excess	-	32,627	-	-	32,627	(32,627)	-	-	-
Educational License Plates	1,481	244	-	-	1,725	281	-	-	2,006
Donations/Realty	1,263	39	1,302	-	-	-	-	-	-
Donations, Gifts and Trusts	1,617	500	-	(24)	2,093	-	630	-	1,463
Renaissance Fund	-	2,000	615	-	1,385	5,834	4,956	-	2,263
Donations, Gifts and Trusts 11-12	-	1,500	1,500	-	-	-	-	-	-
Gift of Property - Sold/Building	91,656	-	13,780	-	77,876	-	57,866	-	20,010
Instruction Support 2100	1,687	-	1,634	-	53	-	-	-	53
Extra Curricular WKRS/TWMS	2	1,980	1,974	-	8	2,565	2,500	-	73
Tri-West Extra-Curricular Helpers	196	2,900	3,087	-	9	2,540	2,310	-	239
Vol Ath Coaches-Donation/TWHS	-	2,814	2,800	-	14	2,225	1,500	-	739
Custodial Overtime	-	3,100	384	-	2,716	2,783	1,835	-	3,664
Scholarships and Awards	3,989	7,456	8,000	-	3,445	5,000	8,125	-	320
Miscellaneous Programs	51,691	-	-	-	51,691	-	9,186	-	42,505
Target Field Trip Grant	96	-	-	(96)	-	-	-	-	-
Donations/Gifts	261	-	-	(261)	-	430	120	-	310
One Room Schoolhouse	9,704	9,087	7,358	-	11,433	5,967	15,937	-	1,463
Academic Decathlon	2,328	-	-	-	2,328	-	210	-	2,118
Lilly Science Ed Outreach	12	-	-	(12)	-	-	-	-	-
Grant- LSEA Lilly Grant Fund 2951	38	-	-	(38)	-	-	-	-	-
Grant- LSEA Lilly Grant Fund 2962	1	-	-	(1)	-	-	-	-	-
Youth as Resources/United Way	993	20	1,013	-	-	-	-	-	-
Eli Lilly/Science Ed Grant	9	-	-	(9)	-	-	-	-	-
Instruction Support 3100	54,239	87,817	90,748	-	51,308	114,732	103,709	-	62,331

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2012 and 2013  
(Continued)

- 11 -

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Adult and Continuing Education	(1,307)	31,701	31,001	-	(607)	-	(607)	-	-
Gifted and Talented -12/13 Grant	-	-	-	-	-	32,649	32,649	-	-
Drug Free Communities	10,493	1,500	416	-	11,577	5,932	2,048	-	15,461
Recreational Activities	2,820	7,607	9,263	-	1,164	7,027	4,764	-	3,427
TW High School Swim Club	-	760	756	-	4	380	380	-	4
X Cur Summer Ath Programs	-	1,150	950	(200)	-	-	724	-	(724)
Music/Recreational Activities	(250)	-	(250)	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	2,082	48	-	-	2,130	-	-	-	2,130
School Technology	9,700	9,371	-	(14,386)	4,685	8,841	-	-	13,526
Service Club/Nurturing Environ	-	-	-	-	-	750	577	-	173
Youth as Resources/United Way	(6)	859	853	-	-	400	369	-	31
Student Academic Account	343	-	315	-	28	-	-	-	28
Sale of Property on Osborne	-	-	-	-	-	-	550	44,395	43,845
NSES Garden Club	807	-	807	-	-	-	-	-	-
Connect 2000 Grant	21,266	27,428	41,044	14,386	22,036	21,251	38,578	-	4,709
Eli Lilly Science Grant	275	-	222	-	53	-	-	-	53
UW Youth as Resources	21	-	-	(21)	-	-	-	-	-
Insurance Claims	28	20,506	20,506	(28)	-	1,163	1,163	-	-
HPS Account	14,277	-	-	-	14,277	-	-	-	14,277
Title I 11-12	2,602	112,184	140,908	-	(26,122)	66,170	40,047	-	1
Title I 12-13	-	-	-	-	-	27,801	47,647	-	(19,846)
IDEA 11-12	(17,585)	340,751	294,894	-	28,272	69,889	2,422	-	95,739
IDEA 12-13	-	-	-	-	-	236,557	279,089	-	(42,532)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	-	35,936	-	(35,936)
Drug Free Schools and Communities	2,031	743	2,913	139	-	-	-	-	-
21st Century Learning Center	130	-	130	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(1,524)	42,101	45,509	(139)	(5,071)	28,227	23,156	-	-
Title II- NCLB Part A 12/13	-	-	-	-	-	8,880	18,776	-	(9,896)
Title I - Grants to LEAs	(7)	-	(7)	-	-	-	-	-	-
Special Education - Part B	(9,516)	38,601	29,036	-	49	-	48	-	1
Special Education - Part B - Preschool	1,648	6,612	376	1,648	7,884	-	7,883	-	1
Education Jobs	-	325,201	325,202	-	(1)	6,640	6,640	-	(1)
Payroll	(25,489)	2,213,438	2,211,479	-	(23,530)	2,243,061	2,244,741	-	(25,210)
<b>Totals</b>	<b>\$ 5,687,530</b>	<b>\$ 25,123,447</b>	<b>\$ 24,923,117</b>	<b>\$ 6,808</b>	<b>\$ 5,894,668</b>	<b>\$ 25,080,153</b>	<b>\$ 26,208,358</b>	<b>\$ 44,395</b>	<b>\$ 4,810,858</b>

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

NORTH WEST HENDRICKS 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 Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other Financing Sources and Uses*

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

*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.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of the errors, made in the prior period, being corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt/disbursement was shown in the current period.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. For some funds, this is a result of the reimbursement for expenditures made by the School Corporation not being received by June 30, 2012 or 2013. Other cash balance deficits are the result of disbursements exceeding receipts.

**Note 9. Restatements**

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2011	Prior Period Adjustment	Balance as of July 1, 2011
Payroll	\$ -	\$ (25,489)	\$ (25,489)

**Note 10. Holding Corporations**

The School Corporation has entered into a capital lease with North West Hendricks Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments totaled \$1,690,000 each for fiscal years 2011-2012 and 2012-2013.

The School Corporation has entered into capital leases with North West Hendricks Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal years 2011-2012 and 2012-2013 were \$3,927,000 and \$4,124,000, 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.

NORTH WEST HENDRICKS 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 Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 1,205,142	\$ 1,282,885	\$ 99,702	\$ 310,162	\$ 601,959	\$ 398,141	\$ 725,000	\$ 59,810	\$ (3,292)
Receipts:									
Local sources	187,104	5,586,716	224,630	1,186,210	824,453	899,489	-	-	-
Intermediate sources	11	-	-	-	-	-	-	-	-
State sources	9,954,932	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>10,142,047</u>	<u>5,586,716</u>	<u>224,630</u>	<u>1,186,210</u>	<u>824,453</u>	<u>899,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	6,056,920	-	-	-	-	-	-	-	-
Support services	3,565,243	-	-	1,012,456	783,510	846,875	-	(14,767)	(1,006)
Noninstructional services	196,920	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	286,979	-	-	-	-	(2,287)
Debt services	-	5,724,696	238,877	-	-	-	-	-	-
Nonprogrammed charges	91	-	-	-	-	-	-	-	-
Interfund loans	105,000	-	-	-	-	-	-	-	-
Total disbursements	<u>9,924,174</u>	<u>5,724,696</u>	<u>238,877</u>	<u>1,299,435</u>	<u>783,510</u>	<u>846,875</u>	<u>-</u>	<u>(14,767)</u>	<u>(3,293)</u>
Excess (deficiency) of receipts over disbursements	<u>217,873</u>	<u>(137,980)</u>	<u>(14,247)</u>	<u>(113,225)</u>	<u>40,943</u>	<u>52,614</u>	<u>-</u>	<u>14,767</u>	<u>3,293</u>
Other financing sources (uses);									
Sale of capital assets	1,809	-	-	-	-	-	-	-	-
Transfers in	55,689	-	-	-	-	-	100,000	34,833	-
Transfers out	(34,833)	-	-	-	(100,000)	-	(50,000)	-	-
Total other financing sources (uses)	<u>22,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>50,000</u>	<u>34,833</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>240,538</u>	<u>(137,980)</u>	<u>(14,247)</u>	<u>(113,225)</u>	<u>(59,057)</u>	<u>52,614</u>	<u>50,000</u>	<u>49,600</u>	<u>3,293</u>
Cash and investments - ending	<u>\$ 1,445,680</u>	<u>\$ 1,144,905</u>	<u>\$ 85,455</u>	<u>\$ 196,937</u>	<u>\$ 542,902</u>	<u>\$ 450,755</u>	<u>\$ 775,000</u>	<u>\$ 109,410</u>	<u>\$ 1</u>

NORTH WEST HENDRICKS 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 Corporation Construction Fund 2008	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Donations/ Realty	Donations Gifts and Trusts	Renaissance Fund
Cash and investments - beginning	\$ 522,830	\$ 97,249	\$ 179,985	\$ (26,145)	\$ -	\$ 1,481	\$ 1,263	\$ 1,617	\$ -
Receipts:									
Local sources	138	666,420	281,018	1,499,127	32,627	-	39	500	2,000
Intermediate sources	-	-	-	-	-	244	-	-	-
State sources	-	14,134	43,597	-	-	-	-	-	-
Federal sources	-	266,728	-	-	-	-	-	-	-
Interfund loans	-	-	-	155,000	-	-	-	-	-
Other	-	695	400	-	-	-	-	-	-
Total receipts	138	947,977	325,015	1,654,127	32,627	244	39	500	2,000
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	1,302	-	615
Support services	-	20,999	351,628	16,684	-	-	-	-	-
Noninstructional services	-	880,281	-	-	-	-	-	-	-
Facilities acquisition and construction	-	2,346	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,506,154	-	-	-	-	-
Interfund loans	-	-	-	55,000	-	-	-	-	-
Total disbursements	-	903,626	351,628	1,577,838	-	-	1,302	-	615
Excess (deficiency) of receipts over disbursements	138	44,351	(26,613)	76,289	32,627	244	(1,263)	500	1,385
Other financing sources (uses);									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(24)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(24)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	138	44,351	(26,613)	76,289	32,627	244	(1,263)	476	1,385
Cash and investments - ending	\$ 522,968	\$ 141,600	\$ 153,372	\$ 50,144	\$ 32,627	\$ 1,725	\$ -	\$ 2,093	\$ 1,385

NORTH WEST HENDRICKS 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)

	Donations Gifts and Trusts 11-12	Gift of Property Sold/Building	Instruction Support 2100	Extra-Curricular WKRS/TWMS	Tri-West Extra-Curricular Helpers	Vol Ath Coaches- Donation/TWHS	Custodial Overtime	Scholarships and Awards	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 91,656	\$ 1,687	\$ 2	\$ 196	\$ -	\$ -	\$ 3,989	\$ 51,691
Receipts:									
Local sources	1,500	-	-	1,980	2,900	2,814	3,100	7,456	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,500	-	-	1,980	2,900	2,814	3,100	7,456	-
Disbursements:									
Current:									
Instruction	-	-	-	1,974	3,087	2,800	-	-	-
Support services	1,500	-	1,634	-	-	-	384	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	13,780	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	8,000	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,500	13,780	1,634	1,974	3,087	2,800	384	8,000	-
Excess (deficiency) of receipts over disbursements	-	(13,780)	(1,634)	6	(187)	14	2,716	(544)	-
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	-	(13,780)	(1,634)	6	(187)	14	2,716	(544)	-
Cash and investments - ending	\$ -	\$ 77,876	\$ 53	\$ 8	\$ 9	\$ 14	\$ 2,716	\$ 3,445	\$ 51,691

NORTH WEST HENDRICKS 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)

	Target Field Trip Grant	Donations/ Gifts	One Room Schoolhouse	Academic Decathlon	Lilly Science Ed Outreach	Grant- LSEA Lilly Grant Fund 2951	Grant- LSEA Lilly Grant Fund 2962	Youth as Resources/ United Way	Eli Lilly/ Science Ed Grant
Cash and investments - beginning	\$ 96	\$ 261	\$ 9,704	\$ 2,328	\$ 12	\$ 38	\$ 1	\$ 993	\$ 9
Receipts:									
Local sources	-	-	9,087	-	-	-	-	20	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	9,087	-	-	-	-	20	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	1,047	-	-	-	-	-	-
Noninstructional services	-	-	6,311	-	-	-	-	1,013	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	7,358	-	-	-	-	1,013	-
Excess (deficiency) of receipts over disbursements	-	-	1,729	-	-	-	-	(993)	-
Other financing sources (uses);									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(96)	(261)	-	-	(12)	(38)	(1)	-	(9)
Total other financing sources (uses)	(96)	(261)	-	-	(12)	(38)	(1)	-	(9)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(96)	(261)	1,729	-	(12)	(38)	(1)	(993)	(9)
Cash and investments - ending	\$ -	\$ -	\$ 11,433	\$ 2,328	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH WEST HENDRICKS 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)

	Instruction Support 3100	Adult and Continuing Education	Gifted and Talented- 12/13 Grant	Drug Free Communities	Recreational Activities	TW High School Swim Club	X Cur Summer Ath Programs
Cash and investments - beginning	\$ 54,239	\$ (1,307)	\$ -	\$ 10,493	\$ 2,820	\$ -	\$ -
Receipts:							
Local sources	87,817	-	-	1,500	7,607	760	1,150
Intermediate sources	-	-	-	-	-	-	-
State sources	-	31,701	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>87,817</u>	<u>31,701</u>	<u>-</u>	<u>1,500</u>	<u>7,607</u>	<u>760</u>	<u>1,150</u>
Disbursements:							
Current:							
Instruction	90,748	5,095	-	-	9,263	-	950
Support services	-	25,906	-	416	-	-	-
Noninstructional services	-	-	-	-	-	756	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>90,748</u>	<u>31,001</u>	<u>-</u>	<u>416</u>	<u>9,263</u>	<u>756</u>	<u>950</u>
Excess (deficiency) of receipts over disbursements	<u>(2,931)</u>	<u>700</u>	<u>-</u>	<u>1,084</u>	<u>(1,656)</u>	<u>4</u>	<u>200</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	9,351	-	-	-	-	-	-
Transfers out	(9,351)	-	-	-	-	-	(200)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,931)</u>	<u>700</u>	<u>-</u>	<u>1,084</u>	<u>(1,656)</u>	<u>4</u>	<u>-</u>
Cash and investments - ending	<u>\$ 51,308</u>	<u>\$ (607)</u>	<u>\$ -</u>	<u>\$ 11,577</u>	<u>\$ 1,164</u>	<u>\$ 4</u>	<u>\$ -</u>

NORTH WEST HENDRICKS 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)

	Music/ Recreational Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Service Club/ Nurturing Environ	Youth as Resources/ United Way	Student Academic Account	Sale of Property on Osborne
Cash and investments - beginning	\$ (250)	\$ 2,082	\$ 9,700	\$ -	\$ (6)	\$ 343	\$ -
Receipts:							
Local sources	-	-	-	-	859	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	48	9,371	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>48</u>	<u>9,371</u>	<u>-</u>	<u>859</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	853	315	-
Support services	-	-	-	-	-	-	-
Noninstructional services	(250)	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>853</u>	<u>315</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>250</u>	<u>48</u>	<u>9,371</u>	<u>-</u>	<u>6</u>	<u>(315)</u>	<u>-</u>
Other financing sources (uses);							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(14,386)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(14,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>250</u>	<u>48</u>	<u>(5,015)</u>	<u>-</u>	<u>6</u>	<u>(315)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,130</u>	<u>\$ 4,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ -</u>

NORTH WEST HENDRICKS 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)

	NSES Garden Club	Connect 2000 Grant	Eli Lilly Science Grant	UW Youth as Resources	Insurance Claims	HPS Account	Title I 11-12
Cash and investments - beginning	\$ 807	\$ 21,266	\$ 275	\$ 21	\$ 28	\$ 14,277	\$ 2,602
Receipts:							
Local sources	-	-	-	-	20,506	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	27,428	-	-	-	-	-
Federal sources	-	-	-	-	-	-	112,184
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>27,428</u>	<u>-</u>	<u>-</u>	<u>20,506</u>	<u>-</u>	<u>112,184</u>
Disbursements:							
Current:							
Instruction	807	-	222	-	-	-	139,513
Support services	-	41,044	-	-	-	-	1,395
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	20,506	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>807</u>	<u>41,044</u>	<u>222</u>	<u>-</u>	<u>20,506</u>	<u>-</u>	<u>140,908</u>
Excess (deficiency) of receipts over disbursements	<u>(807)</u>	<u>(13,616)</u>	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,724)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	14,386	-	-	-	-	-
Transfers out	-	-	-	(21)	(28)	-	-
Total other financing sources (uses)	<u>-</u>	<u>14,386</u>	<u>-</u>	<u>(21)</u>	<u>(28)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(807)</u>	<u>770</u>	<u>(222)</u>	<u>(21)</u>	<u>(28)</u>	<u>-</u>	<u>(28,724)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 22,036</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,277</u>	<u>\$ (26,122)</u>

NORTH WEST HENDRICKS 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 I 12-13	IDEA 11-12	IDEA 12-13	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Drug Free Schools and Communities	21st Century Learning Center	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ -	\$ (17,585)	\$ -	\$ -	\$ 2,031	\$ 130	\$ (1,524)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	340,751	-	-	743	-	42,101
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	340,751	-	-	743	-	42,101
Disbursements:							
Current:							
Instruction	-	294,894	-	-	-	130	-
Support services	-	-	-	-	2,913	-	45,509
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	294,894	-	-	2,913	130	45,509
Excess (deficiency) of receipts over disbursements	-	45,857	-	-	(2,170)	(130)	(3,408)
Other financing sources (uses);							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	139	-	-
Transfers out	-	-	-	-	-	-	(139)
Total other financing sources (uses)	-	-	-	-	139	-	(139)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	45,857	-	-	(2,031)	(130)	(3,547)
Cash and investments - ending	\$ -	\$ 28,272	\$ -	\$ -	\$ -	\$ -	\$ (5,071)

NORTH WEST HENDRICKS 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- NCLB Part A 12/13	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ (7)	\$ (9,516)	\$ 1,648	\$ -	\$ (25,489)	\$ 5,687,530
Receipts:							
Local sources	-	-	-	-	-	-	11,539,527
Intermediate sources	-	-	-	-	-	-	255
State sources	-	-	-	-	-	-	10,081,211
Federal sources	-	-	38,601	6,612	325,201	-	1,132,921
Interfund loans	-	-	-	-	-	-	155,000
Other	-	-	-	-	-	2,213,438	2,214,533
Total receipts	-	-	38,601	6,612	325,201	2,213,438	25,123,447
Disbursements:							
Current:							
Instruction	-	-	29,036	376	325,202	-	6,964,102
Support services	-	(7)	-	-	-	-	6,703,363
Noninstructional services	-	-	-	-	-	-	1,085,031
Facilities acquisition and construction	-	-	-	-	-	-	300,818
Debt services	-	-	-	-	-	-	5,963,573
Nonprogrammed charges	-	-	-	-	-	2,211,479	3,746,230
Interfund loans	-	-	-	-	-	-	160,000
Total disbursements	-	(7)	29,036	376	325,202	2,211,479	24,923,117
Excess (deficiency) of receipts over disbursements	-	7	9,565	6,236	(1)	1,959	200,330
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	1,809
Transfers in	-	-	-	-	-	-	214,398
Transfers out	-	-	-	-	-	-	(209,399)
Total other financing sources (uses)	-	-	-	-	-	-	6,808
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7	9,565	6,236	(1)	1,959	207,138
Cash and investments - ending	\$ -	\$ -	\$ 49	\$ 7,884	\$ (1)	\$ (23,530)	\$ 5,894,668

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 1,445,680	\$ 1,144,905	\$ 85,455	\$ 196,937	\$ 542,902	\$ 450,755	\$ 775,000	\$ 109,410	\$ 1
Receipts:									
Local sources	51,122	5,877,731	233,035	1,168,155	869,407	960,115	-	-	-
Intermediate sources	11	-	-	-	-	-	-	-	-
State sources	10,515,291	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	50,000	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	10,616,424	5,877,731	233,035	1,168,155	869,407	960,115	-	-	-
Disbursements:									
Current:									
Instruction	6,618,743	-	-	-	-	-	-	-	-
Support services	3,871,103	-	-	685,988	721,403	890,753	-	16,853	-
Noninstructional services	189,851	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	160,458	-	-	-	-	-
Debt services	-	6,033,512	236,689	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	10,679,697	6,033,512	236,689	846,446	721,403	890,753	-	16,853	-
Excess (deficiency) of receipts over disbursements	(63,273)	(155,781)	(3,654)	321,709	148,004	69,362	-	(16,853)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(63,273)	(155,781)	(3,654)	321,709	148,004	69,362	-	(16,853)	-
Cash and investments - ending	\$ 1,382,407	\$ 989,124	\$ 81,801	\$ 518,646	\$ 690,906	\$ 520,117	\$ 775,000	\$ 92,557	\$ 1

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	School Corporation Construction Fund 2008	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Donations/ Realty	Donations Gifts and Trusts	Renaissance Fund
Cash and investments - beginning	\$ 522,968	\$ 141,600	\$ 153,372	\$ 50,144	\$ 32,627	\$ 1,725	\$ -	\$ 2,093	\$ 1,385
Receipts:									
Local sources	134	639,994	317,898	1,219,865	(32,627)	-	-	-	5,834
Intermediate sources	-	-	-	-	-	281	-	-	-
State sources	-	13,795	16,616	-	-	-	-	-	-
Federal sources	-	270,591	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	645	400	-	-	-	-	-	-
Total receipts	134	925,025	334,914	1,219,865	(32,627)	281	-	-	5,834
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	630	4,956
Support services	-	18,008	249,308	1,420	-	-	-	-	-
Noninstructional services	-	905,659	-	-	-	-	-	-	-
Facilities acquisition and construction	500,000	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,062,146	-	-	-	-	-
Interfund loans	-	-	-	50,000	-	-	-	-	-
Total disbursements	500,000	923,667	249,308	2,113,566	-	-	-	630	4,956
Excess (deficiency) of receipts over disbursements	(499,866)	1,358	85,606	(893,701)	(32,627)	281	-	(630)	878
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(499,866)	1,358	85,606	(893,701)	(32,627)	281	-	(630)	878
Cash and investments - ending	\$ 23,102	\$ 142,958	\$ 238,978	\$ (843,557)	\$ -	\$ 2,006	\$ -	\$ 1,463	\$ 2,263

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Donations Gifts and Trusts 11-12	Gift of Property Sold/Building	Instruction Support 2100	Extra-Curricular WKRS/TWMS	Tri-West Extra-Curricular Helpers	Vol Ath Coaches- Donation/TWHS	Custodial Overtime	Scholarships and Awards	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 77,876	\$ 53	\$ 8	\$ 9	\$ 14	\$ 2,716	\$ 3,445	\$ 51,691
Receipts:									
Local sources	-	-	-	2,565	2,540	2,225	2,783	5,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	2,565	2,540	2,225	2,783	5,000	-
Disbursements:									
Current:									
Instruction	-	-	-	2,500	2,310	1,500	-	-	9,186
Support services	-	-	-	-	-	-	1,835	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	57,866	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	8,125	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	57,866	-	2,500	2,310	1,500	1,835	8,125	9,186
Excess (deficiency) of receipts over disbursements	-	(57,866)	-	65	230	725	948	(3,125)	(9,186)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(57,866)	-	65	230	725	948	(3,125)	(9,186)
Cash and investments - ending	\$ -	\$ 20,010	\$ 53	\$ 73	\$ 239	\$ 739	\$ 3,664	\$ 320	\$ 42,505

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Target Field Trip Grant	Donations/ Gifts	One Room Schoolhouse	Academic Decathlon	Lilly Science Ed Outreach	Grant- LSEA Lilly Grant Fund 2951	Grant- LSEA Lilly Grant Fund 2962	Youth as Resources/ United Way	Eli Lilly/ Science Ed Grant
Cash and investments - beginning	\$ -	\$ -	\$ 11,433	\$ 2,328	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	430	5,967	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	430	5,967	-	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	210	-	-	-	-	-
Support services	-	-	1,206	-	-	-	-	-	-
Noninstructional services	-	-	14,731	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	120	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	120	15,937	210	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	310	(9,970)	(210)	-	-	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	310	(9,970)	(210)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 310	\$ 1,463	\$ 2,118	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Instruction Support 3100	Adult and Continuing Education	Gifted and Talented- 12/13 Grant	Drug Free Communities	Recreational Activities	TW High School Swim Club	X Cur Summer Ath Programs
Cash and investments - beginning	\$ 51,308	\$ (607)	\$ -	\$ 11,577	\$ 1,164	\$ 4	\$ -
Receipts:							
Local sources	114,732	-	-	5,932	7,027	380	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	32,649	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>114,732</u>	<u>-</u>	<u>32,649</u>	<u>5,932</u>	<u>7,027</u>	<u>380</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	103,709	(750)	-	-	4,764	-	724
Support services	-	143	29,476	2,048	-	-	-
Noninstructional services	-	-	-	-	-	380	-
Facilities acquisition and construction	-	-	798	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,375	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>103,709</u>	<u>(607)</u>	<u>32,649</u>	<u>2,048</u>	<u>4,764</u>	<u>380</u>	<u>724</u>
Excess (deficiency) of receipts over disbursements	<u>11,023</u>	<u>607</u>	<u>-</u>	<u>3,884</u>	<u>2,263</u>	<u>-</u>	<u>(724)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
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>11,023</u>	<u>607</u>	<u>-</u>	<u>3,884</u>	<u>2,263</u>	<u>-</u>	<u>(724)</u>
Cash and investments - ending	<u>\$ 62,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,461</u>	<u>\$ 3,427</u>	<u>\$ 4</u>	<u>\$ (724)</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Music/ Recreational Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Service Club/ Nurturing Environ	Youth as Resources/ United Way	Student Academic Account	Sale of Property on Osborne
Cash and investments - beginning	\$ -	\$ 2,130	\$ 4,685	\$ -	\$ -	\$ 28	\$ -
Receipts:							
Local sources	-	-	-	750	400	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	8,841	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	8,841	750	400	-	-
Disbursements:							
Current:							
Instruction	-	-	-	577	369	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	550
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	577	369	-	550
Excess (deficiency) of receipts over disbursements	-	-	8,841	173	31	-	(550)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	44,395
Total other financing sources (uses)	-	-	-	-	-	-	44,395
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	8,841	173	31	-	43,845
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,130</u>	<u>\$ 13,526</u>	<u>\$ 173</u>	<u>\$ 31</u>	<u>\$ 28</u>	<u>\$ 43,845</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	NSES Garden Club	Connect 2000 Grant	Eli Lilly Science Grant	UW Youth as Resources	Insurance Claims	HPS Account	Title I 11-12
Cash and investments - beginning	\$ -	\$ 22,036	\$ 53	\$ -	\$ -	\$ 14,277	\$ (26,122)
Receipts:							
Local sources	-	-	-	-	1,163	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	21,251	-	-	-	-	-
Federal sources	-	-	-	-	-	-	66,170
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	21,251	-	-	1,163	-	66,170
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	33,922
Support services	-	38,578	-	-	-	-	6,125
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,163	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	38,578	-	-	1,163	-	40,047
Excess (deficiency) of receipts over disbursements	-	(17,327)	-	-	-	-	26,123
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(17,327)	-	-	-	-	26,123
Cash and investments - ending	\$ -	\$ 4,709	\$ 53	\$ -	\$ -	\$ 14,277	\$ 1

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Title I 12-13	IDEA 11-12	IDEA 12-13	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Drug Free Schools and Communities	21st Century Learning Center	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ -	\$ 28,272	\$ -	\$ -	\$ -	\$ -	\$ (5,071)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	27,801	69,889	236,557	-	-	-	28,227
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	27,801	69,889	236,557	-	-	-	28,227
Disbursements:							
Current:							
Instruction	39,638	2,422	279,089	35,936	-	-	-
Support services	7,928	-	-	-	-	-	23,156
Noninstructional services	81	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	47,647	2,422	279,089	35,936	-	-	23,156
Excess (deficiency) of receipts over disbursements	(19,846)	67,467	(42,532)	(35,936)	-	-	5,071
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,846)	67,467	(42,532)	(35,936)	-	-	5,071
Cash and investments - ending	\$ (19,846)	\$ 95,739	\$ (42,532)	\$ (35,936)	\$ -	\$ -	\$ -

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Title II- NCLB Part A 12/13	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 49	\$ 7,884	\$ (1)	\$ (23,530)	\$ 5,894,668
Receipts:							
Local sources	-	-	-	-	-	-	11,462,557
Intermediate sources	-	-	-	-	-	-	292
State sources	-	-	-	-	-	-	10,608,443
Federal sources	8,880	-	-	-	6,640	-	714,755
Interfund loans	-	-	-	-	-	-	50,000
Other	-	-	-	-	-	2,243,061	2,244,106
Total receipts	8,880	-	-	-	6,640	2,243,061	25,080,153
Disbursements:							
Current:							
Instruction	-	-	48	-	6,640	-	7,147,123
Support services	18,776	-	-	7,883	-	-	6,591,990
Noninstructional services	-	-	-	-	-	-	1,110,702
Facilities acquisition and construction	-	-	-	-	-	-	719,672
Debt services	-	-	-	-	-	-	6,270,201
Nonprogrammed charges	-	-	-	-	-	2,244,741	4,318,670
Interfund loans	-	-	-	-	-	-	50,000
Total disbursements	18,776	-	48	7,883	6,640	2,244,741	26,208,358
Excess (deficiency) of receipts over disbursements	(9,896)	-	(48)	(7,883)	-	(1,680)	(1,128,205)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	44,395
Total other financing sources (uses)	-	-	-	-	-	-	44,395
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,896)	-	(48)	(7,883)	-	(1,680)	(1,083,810)
Cash and investments - ending	\$ (9,896)	\$ -	\$ 1	\$ 1	\$ (1)	\$ (25,210)	\$ 4,810,858

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
North West Hendricks Middle School Building Corporation	Tri-West Middle School Building	\$ 1,690,000	07-15-05	01-15-24
North West Hendricks Multi-School Building Corporation	Pittsboro Elementary School Building	406,000	01-15-06	07-15-17
North West Hendricks Multi-School Building Corporation	School Buildings/Administration Office	3,852,000	12-15-08	12-15-30
Sun Trust Equipment Finance	Computer equipment	<u>24,753</u>	03-31-10	03-31-13
Total of annual lease payments		<u>\$ 5,972,753</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
2009 School construction bonds		School buildings	\$ 999,891	\$ 7,499
2004 Pension bonds		Employee pensions	1,290,000	238,919
Common school loan		Operating expenditures	<u>620,908</u>	<u>96,645</u>
Totals			<u>\$ 2,910,799</u>	<u>\$ 343,063</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 850,602
Buildings	60,998,037
Improvements other than buildings	14,087,719
Machinery, equipment, and vehicles	3,668,851
 Total capital assets	 \$ 79,605,209

NORTH WEST HENDRICKS SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**OVERDRAWN CASH BALANCES**

The financial statement presented in this report included the following funds with overdrawn cash balances at June 30, 2012, and June 30, 2013:

Fund	Amount Overdrawn 06-30-12
Adult and Continuing Education	\$ 607
Payroll	23,530
	Amount Overdrawn 06-30-13
X Cur Summer Ath Programs	\$ 724
Self-Insurance	843,557
Payroll	25,210

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE NORTH WEST HENDRICKS  
SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited the North West Hendricks 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, 2011 to June 30, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-004. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

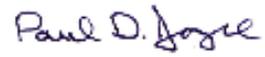
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-003 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 18, 2014

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY 2010-11	\$ 6,764	\$ -
			FY 2011-12	40,416	3,917
			FY 2012-13	-	42,519
				<u>47,180</u>	<u>46,436</u>
Total - School Breakfast Program					
National School Lunch Program	Indiana Department of Education	10.555			
			FY 2010-11	40,331	-
			FY 2011-12	232,948	19,019
			FY 2012-13	-	255,754
				<u>273,279</u>	<u>274,773</u>
Total - National School Lunch Program					
Total - Child Nutrition Cluster				<u>320,459</u>	<u>321,209</u>
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2011-2012	1,211	-
Total - Department of Agriculture				<u>321,670</u>	<u>321,209</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			11-3295	11,000	-
			12-3295	101,184	37,122
			13-3295	-	56,849
				<u>112,184</u>	<u>93,971</u>
Total - Title I, Part A Cluster					

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2012 and 2013  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Community Schools of Frankfort Lebanon Community School Corporation	84.027	FY 2010-2011 FY 2011-2012 FY 2012-2013	96,600 226,566 -	- 69,889 236,557
Total - Special Education - Grants to States				<u>323,166</u>	<u>306,446</u>
ARRA - Special Education - Grants to States, Recovery Act	Community Schools of Frankfort	84.391	FY 2009-10	<u>29,085</u>	-
ARRA - Special Education - Preschool Grants, Recovery Act	Community Schools of Frankfort	84.392	FY 2009-10	<u>6,612</u>	-
Total - Special Education Cluster				<u>358,863</u>	<u>306,446</u>
Safe and Drug-Free Schools and Communities - State Grants	Indiana Department of Education	84.186	09-3295	<u>743</u>	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	2011-2012 2012-2013	42,101 -	- 37,107
Total - Improving Teacher Quality State Grants				<u>42,101</u>	<u>37,107</u>
Education Jobs Fund	Indiana Department of Education	84.410	2011-2012 2012-2013	325,201 -	- 6,640
Total - Education Jobs Fund				<u>325,201</u>	<u>6,640</u>
Total - Department of Education				<u>839,092</u>	<u>444,164</u>
Total federal awards expended				<u>\$ 1,160,762</u>	<u>\$ 765,373</u>

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the North West Hendricks 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, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011-2012	2012-2013
School Breakfast Program	10.553	\$ 7,944	\$ 7,318
National School Lunch Program	10.555	45,787	43,300

NORTH WEST HENDRICKS 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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

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

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts: the Treasurer writes receipts, prepares deposits, and posts receipts and cash and investment balances. The Deputy Treasurer completes the reconciliation, but there is no review or approval of the reconciliation. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

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

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

***FINDING 2013-002 - INTERNAL CONTROL AND COMPLIANCE  
OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: commodities were not included, a posting error caused misstatements in the National School Lunch Program, and one program was omitted from the schedule. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO NATIONAL SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM**

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2011-12, FY 2012-13

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Cash Management, Reporting, and Special Tests and Provisions. There was no review or approval of reimbursement requests prior to submission. Additionally, there was no review or oversight of the process for the verification of free and reduced price applications. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

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

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2013-004 - SPECIAL TESTS AND PROVISIONS***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2011-12, FY 2012-13

Pass-Through Entity: Indiana Department of Education

The School Corporation did not comply with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement. The School Corporation completed the Verification of Free and Reduced Applications after the deadline provided by the Federal Government. In the 2011-2012 school year, the School Corporation completed the verification on January 26 of the school year. In the 2012-2013 school year, the School Corporation completed the Verification on January 23 of the school year.

7 CFR 245.6a states:

*"(b) Deadline and extensions for local educational agencies-*

- (1) Deadline.* The local education agency must complete the verification efforts specified in paragraph (c) of this section not later than November 15 of each school year.
- (2) Deadline extensions.* (i) The local educational agency may request an extension of the November 15 deadline, in writing, from the State agency. The State agency may approve an extension up to December 15 of the current school year due to natural disaster, civil disorder, strike or other circumstances that prevent the local educational agency from timely completion of verification activities."

Inadequate verification could allow improperly approved applications to go undetected. Failing to comply with directives of the grantor or pass-through agency could result in a decrease or elimination of reimbursement.

We recommended that the School Corporation comply with the special tests and provisions related to this grant.

Richard G. King  
*Superintendent of Schools*

Ronald L. Ward  
*Assistant Superintendent*

Corrective Action Plan

Contact Person: Kristina James  
Contact Information: North West Hendricks School Corporation  
104 Church Street  
PO Box 70  
Lizton, IN 46149  
317-994-4107  
jameskr@hendricks.k12.in.us

FINDING 2013-001-INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Receipts – The corporation secretary will receive all checks and cash that is received at the corporation office, at that time she write up the deposits to send to the bank. The corporation treasurer will enter all receipts for the school corporation into the software system.

Preparing Financial Statements – The corporation treasurer will receive and open the bank statement. The deputy treasurer will reconcile the statements, after reconciling the statements the Assistant Superintendent will verify that the reconcilements match the balance noted and that the bank balances equal the fund.

Monitoring of Controls – The deputy treasurer will provide the School Board with the payroll report from each payroll at the monthly meeting. The corporation treasurer will provide the School Board with the Fund Report from the previous month at each monthly meeting.

*All of the above will be implemented by February 28, 2014.*

FINDING 2013-002 – INTERNAL CONTROL AND COMPLIANCE OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Corporation Treasurer will prepare the Schedule of Federal Expenditures and the Assistant Superintendent will review the SEFA that will be prepared for the next audit.

*Corrective action with next period reporting.*

• Board of School Trustees •

Connie L. Bowman  
*President*

Steve Sprecher  
*Vice President*

Kathy Waite  
*Secretary*

Brad Williams  
*Member*

Judith Pingel  
*Member*

FINDING 2013-003-INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO NATIONAL SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM

Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program and School Breakfast Program  
CFDA Number: 10.553, 10.555  
Federal Award Number and Year (or Other Identifying Number): FY2011-12, FY2012-13  
Pass-Through Entity: Indiana Department of Education

The Director of Food Services will be in contact with the corporation treasurer in regards to the grants of the National School Lunch Program and School Breakfast Program and also have the corporation treasurer review the submitted school lunch reports.

*The above will be implemented by February 28, 2014.*

FINDING 2013-004- SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program and School Breakfast Program  
CFDA Number: 10.553, 10.555  
Federal Award Number and Year (or Other Identifying Number): FY2011-12, FY2012-13  
Pass-Through Entity: Indiana Department of Education

The Director of Food Services was not aware of the November 15<sup>th</sup> deadline each year for the Verification of Free and Reduced Applications.

*Corrective action with next period reporting.*

North West Hendricks School Corporation



Kristina James  
Corporation Treasurer  
February 18, 2014

NORTH WEST HENDRICKS SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 18, 2014, with Kristina James, Treasurer; Richard G. King, Superintendent of Schools; Ronald L. Ward, Assistant Superintendent of Schools; Connie L. Bowman, President of the School Board; and Dawn Russell, Accounts Payable Clerk. The officials concurred with our audit finding.