

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY
SHELBY COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
04/17/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nathaniel Day	07-01-11 to 09-16-11
	(Vacant)	09-17-11 to 10-11-11
	Mary C. Scott (Interim)	10-12-11 to 12-31-11
	Laura L. Mullen	01-01-12 to 12-31-14
Superintendent of Schools	Dr. Ellen Welk	07-01-11 to 06-30-12
	Dr. Shane Robbins	07-01-12 to 06-30-14
President of the School Board	John Merlau	07-01-11 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY, SHELBY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Northwestern Consolidated School District of Shelby County (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 March 12, 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.

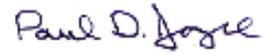
Accompanying Information

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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

March 12, 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 NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY, SHELBY 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 Northwestern Consolidated School District of Shelby County (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 March 12, 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.

Northwestern Consolidated School District of Shelby County'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

March 12, 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.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 1,295,646	\$ 8,601,011	\$ 8,781,110	\$ 220,000	\$ 1,335,547	\$ 8,513,170	\$ 8,587,127	\$ -	\$ 1,261,590	
Debt Service	744,367	1,587,203	1,046,290	(6,456)	1,278,824	1,658,818	1,913,275	(8,157)	1,016,210	
Retirement/Severance Bond Debt Service	69,838	120,855	119,656	6,456	77,493	130,361	120,874	(49,265)	37,715	
Capital Projects	790,669	1,244,677	1,191,728	-	843,618	953,548	1,266,635	(8,807)	521,724	
Transportation Operating Fund	448,009	676,697	627,631	55	497,130	757,093	756,286	(4,232)	493,705	
School Bus Replacement	82,736	159,143	84,850	-	157,029	233,979	213,146	(575)	177,287	
Rainy Day	-	-	-	-	-	-	-	49,265	49,265	
Retirement/Severance Bond	33,955	-	3,000	-	30,955	-	3,000	-	27,955	
TC/ADM 2006 Construction Fund	275	-	275	-	-	-	-	-	-	
2010 Phase 2 Construction	601,413	350	634,596	39,692	6,859	-	-	-	6,859	
2012 Construction Bond	-	-	72,615	1,100,000	1,027,385	-	986,508	68,959	109,836	
2011 Completion Bond	-	-	-	-	-	68,411	282,562	214,151	-	
2013 Bond	-	-	-	-	-	-	4,290	42,000	37,710	
School Lunch	98,861	647,625	631,589	-	114,897	597,873	615,574	-	97,196	
Textbook Rental	174,334	177,519	170,117	-	181,736	311,080	271,955	-	220,861	
Levy Excess	17,424	-	-	-	17,424	-	-	-	17,424	
Hoosier Heartland Trust (LEA)	23,195	79,092	71,410	-	30,877	97,359	89,818	-	38,418	
Educational License Plates	(72)	225	-	-	153	113	-	-	266	
Mendenhall Field	4,041	10,018	2,172	-	11,887	9,856	7,626	-	14,117	
New Tech High	18,407	-	18,407	-	-	-	-	-	-	
New Tech Grant	878	-	878	-	-	-	-	-	-	
New Tech - Shelby Co TIF	-	1,000,000	197,195	(220,000)	582,805	112,400	280,881	-	414,324	
Shelby County Drug Coalition	1,081	-	1,081	-	-	-	-	-	-	
CET Buddy Grant	4,289	-	-	-	4,289	-	-	-	4,289	
Monsanto Grant	1,463	-	-	-	1,463	-	-	-	1,463	
Triton Central Schools Fund	-	-	-	-	-	214	-	-	214	
Blue River Foundation Athletic Grant	-	1,000	-	-	1,000	1,000	1,000	-	1,000	
Blue River Foundation Lego Grant	-	-	-	-	-	3,005	2,790	-	215	
Fuel Up To Play Grant 11/12	-	3,500	2,169	-	1,331	-	1,331	-	-	
NFL Play 60 Super School Grant	-	-	-	-	-	10,000	5,705	-	4,295	
Pepsi Clearing Account	-	-	-	-	-	4,946	4,946	-	-	
Answers for Autism Grant 2012	-	2,984	-	-	2,984	-	2,984	-	-	
Answers for Autism Grant 2013	-	-	-	-	-	1,302	-	-	1,302	
Donation Grant	131	-	131	-	-	-	-	-	-	
G/T High Ability 12/13	-	-	-	-	-	30,899	30,899	-	-	
Education Technology	-	-	-	-	-	-	44,400	-	(44,400)	

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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)

	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
Shelby Co Drug Free Coalition	-	1,200	-	-	1,200	1,200	1,199	-	1,201
Early Childhood Intervention (First Steps)	-	30,230	28,504	-	1,726	-	1,726	-	-
Early Intervention Grant	-	8,193	8,193	-	-	-	-	-	-
Medicaid Reimbursement	17,600	-	11,586	-	6,014	-	-	-	6,014
FFA Community Service Grant 11/12	-	5,500	-	-	5,500	-	3,237	-	2,263
FFA Food for All Grant 2013	-	-	-	-	-	2,500	2,369	-	131
FFA Rural Youth Grant	-	-	-	-	-	2,500	2,227	-	273
Arts in Education Grant 2012	-	2,974	2,974	-	-	750	26	(724)	-
Non-English Speaking Programs P.L. 273-1999	1,125	144	377	-	892	-	-	-	892
School Technology	3,213	16,071	17,466	-	1,818	21,231	18,614	-	4,435
Blue River TCHS Tech Grant	-	1,502	-	-	1,502	1,000	1,502	-	1,000
Indiana School Academic Improvement Program (ISAIP)	303	-	-	-	303	-	96	-	207
School Age Child Care/Parents	26,305	35,364	33,700	-	27,969	45,060	47,933	-	25,096
Extended Day Kindergarten	32,332	4,507	5,893	-	30,946	39	26,672	-	4,313
Pre School	83,265	50,420	88,020	-	45,665	96,558	135,928	-	6,295
Excess PTRC Distributions	-	-	-	-	-	-	-	22,046	22,046
Title I 2007-2008	28	-	-	-	28	-	-	-	28
Title I 2009-2010	(6,000)	-	-	-	(6,000)	-	(6,000)	-	-
Title I 2010-2011	(6,427)	19,154	12,727	-	-	-	(180)	(180)	-
Title I 2011-2012	-	176,709	176,709	-	-	38,599	30,861	(7,738)	-
Title I 2012-2013	-	-	-	-	-	147,864	162,648	-	(14,784)
10/11 HA Grant	7,809	-	7,809	-	-	-	-	-	-
Title V 2007/08	8	-	-	-	8	-	-	-	8
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	-	53,160	-	(53,160)
Medicaid Reimbursement - Federal	10,489	-	10,489	-	-	-	-	-	-
PLTW Eng D&D 2009-10	(3,451)	3,451	-	-	-	-	(3,451)	(3,451)	-
Improving Teaching Quality, No Child Left, Title II, Part A	5,234	5,438	(41,652)	-	52,324	-	52,324	-	-
Title II Part A 11/12 Grant	-	41,769	41,769	-	-	11,439	11,439	-	-
Title II Part A 11/13 Grant	-	24,331	24,331	-	-	11,858	13,251	(758)	(2,151)
Title II Part A 12/14 Grant	-	-	-	-	-	9,706	17,333	-	(7,627)
Special Education - Part B - Preschool	(3,006)	3,006	-	-	-	-	-	-	-
Education Jobs	-	224,204	224,204	-	-	119,138	63,030	(56,108)	-
Payroll Withholding	2,711	1,955,847	1,929,755	-	28,803	1,973,683	1,978,724	-	23,762
Totals	\$ 4,582,478	\$ 16,921,913	\$ 16,239,754	\$ 1,139,747	\$ 6,404,384	\$ 15,978,552	\$ 18,108,280	\$ 256,426	\$ 4,531,082

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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, funds help temporarily for an authorized recipient and self-insurance payments.

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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:

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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 correction of errors from prior periods. The errors made in prior periods were 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.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013.

Note 9. Holding Corporations

The School Corporation has entered into a capital lease with Northwestern Consolidated 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 school years 2011-2012 and 2012-2013 totaled \$1,046,290 and \$1,778,254, respectively.

Note 10. Subsequent Events

In September 2013, the School Corporation was granted an advancement in the amount of \$129,800 from the School Technology Advancement Account (STAA) of the Common School Fund. The advancement will be used to purchase computer hardware and software to be used primarily for student instruction. The interest rate on the advancement is 1 percent.

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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.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 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	Transportation Operating Fund	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	TC/ADM 2006 Construction Fund	2010 Phase 2 Construction
Cash and investments - beginning	\$ 1,295,646	\$ 744,367	\$ 69,838	\$ 790,669	\$ 448,009	\$ 82,736	\$ -	\$ 33,955	\$ 275	\$ 601,413
Receipts:										
Local sources	57,982	1,587,203	120,855	1,244,023	674,335	159,143	-	-	-	350
Intermediate sources	2,081	-	-	-	-	-	-	-	-	-
State sources	8,461,600	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	79,348	-	-	654	2,362	-	-	-	-	-
Total receipts	8,601,011	1,587,203	120,855	1,244,677	676,697	159,143	-	-	-	350
Disbursements:										
Current:										
Instruction	5,881,382	-	-	-	-	-	-	-	-	-
Support services	2,838,420	-	-	349,698	627,631	84,850	-	3,000	-	-
Noninstructional services	61,308	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	828,016	-	-	-	-	275	634,596
Debt services	-	1,046,290	119,656	14,014	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,781,110	1,046,290	119,656	1,191,728	627,631	84,850	-	3,000	275	634,596
Excess (deficiency) of receipts over disbursements	(180,099)	540,913	1,199	52,949	49,066	74,293	-	(3,000)	(275)	(634,246)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	39,692
Sale of capital assets	-	-	-	-	55	-	-	-	-	-
Transfers in	220,000	-	6,456	-	-	-	-	-	-	-
Transfers out	-	(6,456)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	220,000	(6,456)	6,456	-	55	-	-	-	-	39,692
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,901	534,457	7,655	52,949	49,121	74,293	-	(3,000)	(275)	(594,554)
Cash and investments - ending	\$ 1,335,547	\$ 1,278,824	\$ 77,493	\$ 843,618	\$ 497,130	\$ 157,029	\$ -	\$ 30,955	\$ -	\$ 6,859

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

	2012 Construction Bond	2011 Completion Bond	2013 Bond	School Lunch	Textbook Rental	Levy Excess	Hoosier Heartland Trust (LEA)	Educational License Plates	Mendenhall Field	New Tech High
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 98,861	\$ 174,334	\$ 17,424	\$ 23,195	\$ (72)	\$ 4,041	\$ 18,407
Receipts:										
Local sources	-	-	-	384,351	138,713	-	79,092	-	10,018	-
Intermediate sources	-	-	-	-	-	-	-	225	-	-
State sources	-	-	-	8,015	38,806	-	-	-	-	-
Federal sources	-	-	-	254,020	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	1,239	-	-	-	-	-	-
Total receipts	-	-	-	647,625	177,519	-	79,092	225	10,018	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	907
Support services	-	-	-	885	170,117	-	71,410	-	450	-
Noninstructional services	-	-	-	630,704	-	-	-	-	1,722	-
Facilities acquisition and construction	3,656	-	-	-	-	-	-	-	-	17,500
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	68,959	-	-	-	-	-	-	-	-	-
Total disbursements	72,615	-	-	631,589	170,117	-	71,410	-	2,172	18,407
Excess (deficiency) of receipts over disbursements	(72,615)	-	-	16,036	7,402	-	7,682	225	7,846	(18,407)
Other financing sources (uses):										
Proceeds of long-term debt	1,100,000	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,100,000	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,027,385	-	-	16,036	7,402	-	7,682	225	7,846	(18,407)
Cash and investments - ending	\$ 1,027,385	\$ -	\$ -	\$ 114,897	\$ 181,736	\$ 17,424	\$ 30,877	\$ 153	\$ 11,887	\$ -

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

	<u>New Tech Grant</u>	<u>New Tech Shelby Co TIF</u>	<u>Shelby County Drug Coalition</u>	<u>CET Buddy Grant</u>	<u>Monsanto Grant</u>	<u>Triton Central Schools Fund</u>	<u>Blue River Foundation Athletic Grant</u>	<u>Blue River Foundation Lego Grant</u>	<u>Fuel Up to Play Grant 11/12</u>	<u>NFL Play 60 Super School Grant</u>
Cash and investments - beginning	\$ 878	\$ -	\$ 1,081	\$ 4,289	\$ 1,463	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	1,000,000	-	-	-	-	1,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	3,500	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,000,000	-	-	-	-	1,000	-	3,500	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	2,169	-
Support services	878	-	1,081	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	197,195	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	878	197,195	1,081	-	-	-	-	-	2,169	-
Excess (deficiency) of receipts over disbursements	(878)	802,805	(1,081)	-	-	-	1,000	-	1,331	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(220,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(220,000)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(878)	582,805	(1,081)	-	-	-	1,000	-	1,331	-
Cash and investments - ending	\$ -	\$ 582,805	\$ -	\$ 4,289	\$ 1,463	\$ -	\$ 1,000	\$ -	\$ 1,331	\$ -

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

	Pepsi Clearing Account	Answers for Autism Grant 2012	Answers for Autism Grant 2013	Donation Grant	G/T High Ability 12/13	Education Technology	Shelby Co Drug Free Coalition	Early Childhood Intervention (First Steps)	Early Intervention Grant	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,600
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	2,984	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	1,200	30,230	8,193	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,984	-	-	-	-	1,200	30,230	8,193	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	28,504	8,193	11,586
Support services	-	-	-	131	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	131	-	-	-	28,504	8,193	11,586
Excess (deficiency) of receipts over disbursements	-	2,984	-	(131)	-	-	1,200	1,726	-	(11,586)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,984	-	(131)	-	-	1,200	1,726	-	(11,586)
Cash and investments - ending	\$ -	\$ 2,984	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 1,726	\$ -	\$ 6,014

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

	FFA Community Service Grant 11/12	FFA Food for All Grant 2013	FFA Rural Youth Grant	Arts in Education Grant 2012	Non-English Speaking Programs P.L. 273-1999	School Technology	Blue River TCHS Tech Grant	Indiana School Academic Improvement Program (ISAIP)	School Age Child Care/ Parents	Extended Day Kindergarten
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,125	\$ 3,213	\$ -	\$ 303	\$ 26,305	\$ 32,332
Receipts:										
Local sources	5,500	-	-	-	-	16,071	1,502	-	35,364	4,507
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	2,250	144	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	724	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	5,500	-	-	2,974	144	16,071	1,502	-	35,364	4,507
Disbursements:										
Current:										
Instruction	-	-	-	2,974	377	-	-	-	-	-
Support services	-	-	-	-	-	17,466	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	33,700	5,893
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,974	377	17,466	-	-	33,700	5,893
Excess (deficiency) of receipts over disbursements	5,500	-	-	-	(233)	(1,395)	1,502	-	1,664	(1,386)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
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	5,500	-	-	-	(233)	(1,395)	1,502	-	1,664	(1,386)
Cash and investments - ending	\$ 5,500	\$ -	\$ -	\$ -	\$ 892	\$ 1,818	\$ 1,502	\$ 303	\$ 27,969	\$ 30,946

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

	Pre School	Excess PTRC Distributions	Title I 2007-2008	Title I 2009-2010	Title I 2010-2011	Title I 2011-2012	Title I 2012-2013	10/11 HA Grant	Title V 2007/08	(IDEA, Part B) LEA Capacity Building (Sliver) Grants
Cash and investments - beginning	\$ 83,265	\$ -	\$ 28	\$ (6,000)	\$ (6,427)	\$ -	\$ -	\$ 7,809	\$ 8	\$ -
Receipts:										
Local sources	50,420	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	18,974	168,971	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	180	7,738	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	50,420	-	-	-	19,154	176,709	-	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	5,969	169,444	-	7,809	-	-
Support services	-	-	-	-	6,758	7,052	-	-	-	-
Noninstructional services	88,020	-	-	-	-	213	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	88,020	-	-	-	12,727	176,709	-	7,809	-	-
Excess (deficiency) of receipts over disbursements	(37,600)	-	-	-	6,427	-	-	(7,809)	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
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	(37,600)	-	-	-	6,427	-	-	(7,809)	-	-
Cash and investments - ending	\$ 45,665	\$ -	\$ 28	\$ (6,000)	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -

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

	Medicaid Reimbursement Federal	PLTW Eng D & D 2009-10	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 11/12 Grant	Title II Part A 11/13 Grant	Title II Part A 12/14 Grant	Special Education - Part B - Preschool	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 10,489	\$ (3,451)	\$ 5,234	\$ -	\$ -	\$ -	\$ (3,006)	\$ -	\$ 2,711	\$ 4,582,478
Receipts:										
Local sources	-	-	5,438	-	-	-	-	-	-	5,575,867
Intermediate sources	-	-	-	-	-	-	-	-	-	5,290
State sources	-	-	-	-	-	-	-	-	-	8,738,383
Federal sources	-	-	-	41,769	23,573	-	3,006	168,096	-	493,964
Interfund loans	-	3,451	-	-	758	-	-	56,108	-	68,959
Other	-	-	-	-	-	-	-	-	1,955,847	2,039,450
Total receipts	-	3,451	5,438	41,769	24,331	-	3,006	224,204	1,955,847	16,921,913
Disbursements:										
Current:										
Instruction	10,489	-	-	-	-	-	-	207,120	-	6,336,923
Support services	-	-	(41,652)	41,769	24,331	-	-	17,084	-	4,221,359
Noninstructional services	-	-	-	-	-	-	-	-	-	821,560
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,681,238
Debt services	-	-	-	-	-	-	-	-	-	1,179,960
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,929,755	1,929,755
Interfund loans	-	-	-	-	-	-	-	-	-	68,959
Total disbursements	10,489	-	(41,652)	41,769	24,331	-	-	224,204	1,929,755	16,239,754
Excess (deficiency) of receipts over disbursements	(10,489)	3,451	47,090	-	-	-	3,006	-	26,092	682,159
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	1,139,692
Sale of capital assets	-	-	-	-	-	-	-	-	-	55
Transfers in	-	-	-	-	-	-	-	-	-	226,456
Transfers out	-	-	-	-	-	-	-	-	-	(226,456)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	1,139,747
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,489)	3,451	47,090	-	-	-	3,006	-	26,092	1,821,906
Cash and investments - ending	\$ -	\$ -	\$ 52,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,803	\$ 6,404,384

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 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	Transportation Operating Fund	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	TC/ADM 2006 Construction Fund	2010 Phase 2 Construction
Cash and investments - beginning	\$ 1,335,547	\$ 1,278,824	\$ 77,493	\$ 843,618	\$ 497,130	\$ 157,029	\$ -	\$ 30,955	\$ -	\$ 6,859
Receipts:										
Local sources	50,985	1,658,818	130,361	916,107	753,559	233,979	-	-	-	-
Intermediate sources	5	-	-	-	-	-	-	-	-	-
State sources	8,459,903	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	11,767	-	-	-	-	-	-
Other	2,277	-	-	25,674	3,534	-	-	-	-	-
Total receipts	<u>8,513,170</u>	<u>1,658,818</u>	<u>130,361</u>	<u>953,548</u>	<u>757,093</u>	<u>233,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	5,349,141	-	-	-	-	-	-	-	-	-
Support services	3,125,049	7,138	-	567,766	756,286	213,146	-	3,000	-	-
Noninstructional services	112,937	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	618,007	-	-	-	-	-	-
Debt services	-	1,906,137	120,874	80,862	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>8,587,127</u>	<u>1,913,275</u>	<u>120,874</u>	<u>1,266,635</u>	<u>756,286</u>	<u>213,146</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(73,957)</u>	<u>(254,457)</u>	<u>9,487</u>	<u>(313,087)</u>	<u>807</u>	<u>20,833</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	275	-	-	-	-	-
Transfers in	-	29,268	2,263	20,402	10,040	3,538	49,265	-	-	-
Transfers out	-	(37,425)	(51,528)	(29,209)	(14,547)	(4,113)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(8,157)</u>	<u>(49,265)</u>	<u>(8,807)</u>	<u>(4,232)</u>	<u>(575)</u>	<u>49,265</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(73,957)</u>	<u>(262,614)</u>	<u>(39,778)</u>	<u>(321,894)</u>	<u>(3,425)</u>	<u>20,258</u>	<u>49,265</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,261,590</u>	<u>\$ 1,016,210</u>	<u>\$ 37,715</u>	<u>\$ 521,724</u>	<u>\$ 493,705</u>	<u>\$ 177,287</u>	<u>\$ 49,265</u>	<u>\$ 27,955</u>	<u>\$ -</u>	<u>\$ 6,859</u>

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	2012 Construction Bond	2011 Completion Bond	2013 Bond	School Lunch	Textbook Rental	Levy Excess	Hoosier Heartland Trust (LEA)	Educational License Plates	Mendenhall Field	New Tech High
Cash and investments - beginning	\$ 1,027,385	\$ -	\$ -	\$ 114,897	\$ 181,736	\$ 17,424	\$ 30,877	\$ 153	\$ 11,887	\$ -
Receipts:										
Local sources	-	68,411	-	360,928	266,492	-	97,359	-	9,656	-
Intermediate sources	-	-	-	-	-	-	-	113	-	-
State sources	-	-	-	7,856	44,380	-	-	-	-	-
Federal sources	-	-	-	228,239	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	850	208	-	-	-	200	-
Total receipts	<u>-</u>	<u>68,411</u>	<u>-</u>	<u>597,873</u>	<u>311,080</u>	<u>-</u>	<u>97,359</u>	<u>113</u>	<u>9,856</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	850	271,955	-	89,818	-	200	-
Noninstructional services	-	-	-	614,724	-	-	-	-	7,426	-
Facilities acquisition and construction	986,508	282,562	4,290	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>986,508</u>	<u>282,562</u>	<u>4,290</u>	<u>615,574</u>	<u>271,955</u>	<u>-</u>	<u>89,818</u>	<u>-</u>	<u>7,626</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(986,508)</u>	<u>(214,151)</u>	<u>(4,290)</u>	<u>(17,701)</u>	<u>39,125</u>	<u>-</u>	<u>7,541</u>	<u>113</u>	<u>2,230</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	214,151	42,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	68,959	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>68,959</u>	<u>214,151</u>	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(917,549)</u>	<u>-</u>	<u>37,710</u>	<u>(17,701)</u>	<u>39,125</u>	<u>-</u>	<u>7,541</u>	<u>113</u>	<u>2,230</u>	<u>-</u>
Cash and investments - ending	<u>\$ 109,836</u>	<u>\$ -</u>	<u>\$ 37,710</u>	<u>\$ 97,196</u>	<u>\$ 220,861</u>	<u>\$ 17,424</u>	<u>\$ 38,418</u>	<u>\$ 266</u>	<u>\$ 14,117</u>	<u>\$ -</u>

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	New Tech Grant	New Tech Shelby Co TIF	Shelby County Drug Coalition	CET Buddy Grant	Monsanto Grant	Triton Central Schools Fund	Blue River Foundation Athletic Grant	Blue River Foundation Lego Grant	Fuel Up to Play Grant 11/12	NFL Play 60 Super School Grant
Cash and investments - beginning	\$ -	\$ 582,805	\$ -	\$ 4,289	\$ 1,463	\$ -	\$ 1,000	\$ -	\$ 1,331	\$ -
Receipts:										
Local sources	-	112,400	-	-	-	214	1,000	3,005	-	10,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	112,400	-	-	-	214	1,000	3,005	-	10,000
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	1,000	2,790	1,331	5,705
Support services	-	280,881	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	280,881	-	-	-	-	1,000	2,790	1,331	5,705
Excess (deficiency) of receipts over disbursements	-	(168,481)	-	-	-	214	-	215	(1,331)	4,295
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
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	-	(168,481)	-	-	-	214	-	215	(1,331)	4,295
Cash and investments - ending	\$ -	\$ 414,324	\$ -	\$ 4,289	\$ 1,463	\$ 214	\$ 1,000	\$ 215	\$ -	\$ 4,295

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Pepsi Clearing Account	Answers for Autism Grant 2012	Answers for Autism Grant 2013	Donation Grant	G/T High Ability 12/13	Education Technology	Shelby Co Drug Free Coalition	Early Childhood Intervention (First Steps)	Early Intervention Grant	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 2,984	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 1,726	\$ -	\$ 6,014
Receipts:										
Local sources	4,946	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	1,302	-	-	-	-	-	-	-
State sources	-	-	-	-	30,899	-	1,200	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>4,946</u>	<u>-</u>	<u>1,302</u>	<u>-</u>	<u>30,899</u>	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	-	2,984	-	-	30,899	-	1,199	1,726	-	-
Support services	4,946	-	-	-	-	44,400	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>4,946</u>	<u>2,984</u>	<u>-</u>	<u>-</u>	<u>30,899</u>	<u>44,400</u>	<u>1,199</u>	<u>1,726</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,984)</u>	<u>1,302</u>	<u>-</u>	<u>-</u>	<u>(44,400)</u>	<u>1</u>	<u>(1,726)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(2,984)</u>	<u>1,302</u>	<u>-</u>	<u>-</u>	<u>(44,400)</u>	<u>1</u>	<u>(1,726)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,400)</u>	<u>\$ 1,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,014</u>

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	FFA Community Service Grant 11/12	FFA Food for All Grant 2013	FFA Rural Youth Grant	Arts in Education Grant 2012	Non-English Speaking Programs P.L. 273-1999	School Technology	Blue River TCHS Tech Grant	Indiana School Academic Improvement Program (ISAIP)	School Age Child Care/ Parents	Extended Day Kindergarten
Cash and investments - beginning	\$ 5,500	\$ -	\$ -	\$ -	\$ 892	\$ 1,818	\$ 1,502	\$ 303	\$ 27,969	\$ 30,946
Receipts:										
Local sources	-	2,500	2,500	-	-	21,231	1,000	-	45,060	39
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	750	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,500	2,500	750	-	21,231	1,000	-	45,060	39
Disbursements:										
Current:										
Instruction	-	-	-	26	-	-	1,502	96	-	26,960
Support services	-	-	-	-	-	18,614	-	-	-	-
Noninstructional services	3,237	2,369	2,227	-	-	-	-	-	47,933	(288)
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,237	2,369	2,227	26	-	18,614	1,502	96	47,933	26,672
Excess (deficiency) of receipts over disbursements	(3,237)	131	273	724	-	2,617	(502)	(96)	(2,873)	(26,633)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(724)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(724)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,237)	131	273	-	-	2,617	(502)	(96)	(2,873)	(26,633)
Cash and investments - ending	\$ 2,263	\$ 131	\$ 273	\$ -	\$ 892	\$ 4,435	\$ 1,000	\$ 207	\$ 25,096	\$ 4,313

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Pre School	Excess PTRC Distributions	Title I 2007-2008	Title I 2009-2010	Title I 2010-2011	Title I 2011-2012	Title I 2012-2013	10/11 HA Grant	Title V 2007/08	(IDEA, Part B) LEA Capacity Building (Sliver) Grants
Cash and investments - beginning	\$ 45,665	\$ -	\$ 28	\$ (6,000)	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -
Receipts:										
Local sources	96,558	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	38,599	147,864	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	96,558	-	-	-	-	38,599	147,864	-	-	-
Disbursements:										
Current:										
Instruction	41,072	-	-	(6,000)	(180)	20,127	157,148	-	-	53,160
Support services	-	-	-	-	-	9,947	5,000	-	-	-
Noninstructional services	94,856	-	-	-	-	787	500	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	135,928	-	-	(6,000)	(180)	30,861	162,648	-	-	53,160
Excess (deficiency) of receipts over disbursements	(39,370)	-	-	6,000	180	7,738	(14,784)	-	-	(53,160)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	22,046	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(180)	(7,738)	-	-	-	-
Total other financing sources (uses)	-	22,046	-	-	(180)	(7,738)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(39,370)	22,046	-	6,000	-	-	(14,784)	-	-	(53,160)
Cash and investments - ending	\$ 6,295	\$ 22,046	\$ 28	\$ -	\$ -	\$ -	\$ (14,784)	\$ -	\$ 8	\$ (53,160)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Medicaid Reimbursement Federal	PLTW Eng D & D 2009-10	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 11/12 Grant	Title II Part A 11/13 Grant	Title II Part A 12/14 Grant	Special Education - Part B - Preschool	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 52,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,803	\$ 6,404,384
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	4,847,108
Intermediate sources	-	-	-	-	-	-	-	-	-	1,420
State sources	-	-	-	-	-	-	-	-	-	8,731,451
Federal sources	-	-	-	11,439	11,858	9,706	-	119,138	-	380,380
Temporary loans	-	-	-	-	-	-	-	-	-	11,767
Other	-	-	-	-	-	-	-	-	1,973,683	2,006,426
Total receipts	-	-	-	11,439	11,858	9,706	-	119,138	1,973,683	15,978,552
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	55,792	-	5,746,478
Support services	-	(3,451)	52,324	11,439	13,251	17,333	-	7,238	-	5,497,130
Noninstructional services	-	-	-	-	-	-	-	-	-	886,708
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,891,367
Debt services	-	-	-	-	-	-	-	-	-	2,107,873
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,978,724	1,978,724
Total disbursements	-	(3,451)	52,324	11,439	13,251	17,333	-	63,030	1,978,724	18,108,280
Excess (deficiency) of receipts over disbursements	-	3,451	(52,324)	-	(1,393)	(7,627)	-	56,108	(5,041)	(2,129,728)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	256,151
Sale of capital assets	-	-	-	-	-	-	-	-	-	275
Transfers in	-	-	-	-	-	-	-	-	-	205,781
Transfers out	-	(3,451)	-	-	(758)	-	-	(56,108)	-	(205,781)
Total other financing sources (uses)	-	(3,451)	-	-	(758)	-	-	(56,108)	-	256,426
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(52,324)	-	(2,151)	(7,627)	-	-	(5,041)	(1,873,302)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (2,151)	\$ (7,627)	\$ -	\$ -	\$ 23,762	\$ 4,531,082

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 257,018</u>	<u>\$ 122,122</u>

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Northwestern Consolidated School Building Corporation		\$ 440,000	01-01-05	01-15-15
Northwestern Consolidated School Building Corporation		225,500	01-01-07	01-15-18
Northwestern Consolidated School Building Corporation		262,048	01-15-10	01-15-19
Northwestern Consolidated School Building Corporation		568,560	07-15-11	01-15-27
Northwestern Consolidated School Building Corporation		263,146	07-15-12	07-15-15
Northwestern Consolidated School Building Corporation		19,000	01-15-13	01-15-23
Leases and Energy Contracts:				
	TCES Energy Contract Lease/PNC	73,539	07-15-06	01-15-16
	TMS Energy Contract Lease / PNC	260,950	01-01-04	12-10-13
	Key Govt. Finance/TES Computer Lease	29,508	08-01-12	07-01-17
	Key Govt. Finance/TMS Computer Lease	51,358	06-08-11	12-08-15
	Key Gov Fin/1:1 Initiative	<u>50,405</u>	06-30-13	12-30-15
Total of annual lease payments		<u>\$ 2,244,015</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal due Within One Year
Governmental activities:			
Claims and judgments		\$ -	\$ -
Notes and loans payable	State CPF Loan and Common School Loan	155,883	43,383
General obligation bonds	Pension Bond	615,000	45,000
Tax anticipation warrants		-	-
Lines of credit		<u>-</u>	<u>-</u>
Totals		<u>\$ 770,883</u>	<u>\$ 88,383</u>

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NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 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	\$ 487,705
Infrastructure	1,335,458
Buildings	60,066,564
Improvements other than buildings	3,950,870
Machinery, equipment, and vehicles	3,566,231
Books and other	-
Total capital assets	\$ 69,406,828

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
AUDIT RESULT AND COMMENT

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
School Pension Debt	2012	<u>\$ 3,090</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY, SHELBY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Northwestern Consolidated School District of Shelby County'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.

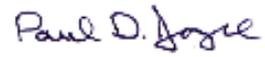
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses 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 items 2013-003 and 2013-004 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

March 12, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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 2012	\$ 44,163	\$ -
			FY 2013	-	40,600
Total - School Breakfast Program				<u>44,163</u>	<u>40,600</u>
National School Lunch Program	Indiana Department of Education	10.555			
			FY 2012	245,221	-
			FY 2013	-	228,164
Total - National School Lunch Program				<u>245,221</u>	<u>228,164</u>
Total - Child Nutrition Cluster				<u>289,384</u>	<u>268,764</u>
Total - Department of Agriculture				<u>289,384</u>	<u>268,764</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			11-7350	12,548	-
			12-7350	168,970	38,600
			13-7350	-	147,863
Total - Title I, Part A Cluster				<u>181,518</u>	<u>186,464</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			09-7350	10,672	-
			10-7350	6,183	-
			11-7350	23,572	11,858
			12-7350	-	9,706
Total - Improving Teacher Quality State Grants				<u>40,427</u>	<u>21,564</u>
Education Jobs Fund	Indiana Department of Education	84.410			
			SY 11/12	168,097	-
			SY 12/13	-	119,137
Total - Education Jobs Fund				<u>168,097</u>	<u>119,137</u>
Educational Technology State Grants Cluster					
ARRA - Educational Technology State Grants, Recovery Act	Indiana Department of Education	84.386	FY2010	18,407	-
Total - Educational Technology State Grants Cluster				<u>18,407</u>	<u>-</u>
Total - Department of Education				<u>408,449</u>	<u>327,165</u>
Total federal awards expended				<u>\$ 697,833</u>	<u>\$ 595,929</u>

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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 Northwestern Consolidated School District of Shelby County (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	2012	2013
School Breakfast Program	10.553	\$ 3,577	\$ 3,455
National School Lunch Program	10.555	31,787	37,070

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 CONTROLS OVER THE PREPARATION OF THE 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: the Title I Grants to Local Educational Agencies program was understated; Improving Teacher Quality State Grants program was understated; and the ARRA - Educational Technology State Grants, Recovery Act program was not included. Audit adjustments totaling \$128,885 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 was 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.

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:

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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."

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-003 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 11-7350, 12-7350, 13-7350
Pass-Through Entity: Indiana Department of Education

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): SY 11/12, SY 12/13
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system over Cash Management and Reporting compliance requirements. 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.

For the Title I Grants to Local Educational Agencies program, the School Corporation is required to send reimbursement requests monthly. Prior to submission, the requests are not reviewed by someone other than the individual preparing the requests. Controls are not established to ensure the reimbursement requests are completed properly and filed timely.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

For the School Breakfast Program and National School Lunch Program, the School Corporation is required to send reimbursement requests monthly. Prior to submission, the requests are not reviewed by someone other than the individual preparing the requests. Controls are not established to ensure the reimbursement requests are completed properly and filed timely.

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 establish controls related to Cash Management and Reporting compliance requirements.

FINDING 2013-004 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 11-7350, 12-7350, 13-7350
Pass-Through Entity: Indiana Department of Education

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): SY 11/12, SY 12/13
Pass-Through Entity: Indiana Department of Education

The School Corporation was required to maintain time and effort reporting on all full-time and part-time employees paid from Title I Grants to Local Educational Agencies funds. There were not sufficient internal controls in place to ensure compliance with federal time and effort reporting requirements. Employees paid from Title I funds worked solely on Title I and were paid only from Title I funds. During our testing, we noted one semiannual certification which included the 2011-2012 school year and was signed January 23, 2012. This was the only certification completed for Title I employees during the audit period.

The School Corporation was required to maintain time and effort reporting on all full-time and part-time employees paid from Child Nutrition funds. Employees paid from Child Nutrition funds worked solely for the Child Nutrition programs and were paid only from Child Nutrition funds. No time and effort reports were maintained for the audit period of July 1, 2011 to June 30, 2013.

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."

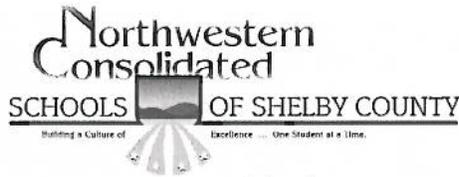
NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-87, Attachment B, item (8)(h) states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

Noncompliance with the grant agreement or the Allowable Cost/Cost Principles 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 to ensure compliance with the requirements.



4920 W. 600 N., Fairland, IN 46126
317-835-7461 · (f) 317-835-4441
lmullen@nwshelbyschools.org

MEMORANDUM

Date: February 24, 2014

SUBJECT: Prior Audit Findings, 2009-2010 & 2010 -2011

TO: State Board of Accounts

FROM: Laura L. Mullen, Corporation Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2011-1

Original SBA Audit Report Number: *FINDING 2011-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING*

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

Fiscal Year	2009-2010 and 2010-2011
Auditee Contact Person	Laura L. Mullen
Title of Contact Person	Corporation Treasurer
Phone Number	317-835-7461

Status of Finding: During the audit period referenced, there was a Business Manager (Nate Day) and a full time payroll clerk (Karen Gill). In October of 2011 I was hired as a payroll clerk to replace Karen Gill and then hired as the treasurer to replace Nate Day. At first, the superintendent wanted me to fulfill both positions with no additional help. This was found to be impossible – and would not have corrected this finding. In January of 2012 we were approved to hire a part time Payroll Clerk, David Tinkle. We were only allowed to use him part-time. The remainder of the human resource duties were to fall under my position as treasurer. Again, this did not correct the findings of the prior audit. In September of 2012, we hired a Director of Operations, Chris Hoke. This position helped with purchase orders and oversight of the budget. Our payroll clerk was still part-time. When the Director of Operations left in January of 2014, we hired a Deputy Treasurer, Shea Fink. We now have a Corporation Treasurer, a Deputy Treasurer and a Part-time Payroll Clerk. I believe that now, with some suggestions from the auditors, have the ability to correct the findings from the

previous audit. As this position was just created, we are working out the details of who will be doing what. One of the first items will be how we handle receipt of monies and Title I grants.

Finding Number 2011-2

Original SBA Audit Report Number: **FINDING 2011-2 - INTERNAL CONTROL/CASH MNAGEMENT**

"Amounts received by the School Corporation for the ARRA - Special Education - Grants to States, Recovery Act, were drawn down in advance. School Corporation officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for 9 of the 24 months during the audit period."

Fiscal Year **2009-2010 and 2010-2011**

Auditee Contact Person **Laura L. Mullen**

Title of Contact Person **Corporation Treasurer**

Phone Number **317-835-7461**

Status of Finding: These grants are completed on a reimbursement basis only and therefore will not be an issue any long.

Finding Number 2011-3

Original SBA Audit Report Number: **FINDING 2011-2 - INTERNAL CONTROL/CASH MNAGEMENT**

"Amounts received by the School Corporation for Title I, were drawn down in advance during the 2009-2010 school year. School Corporation officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for 6 of the 12 months tested during the audit period."

Fiscal Year **2009-2010 and 2010-2011**

Auditee Contact Person **Laura L. Mullen**

Title of Contact Person **Corporation Treasurer**

Phone Number **317-835-7461**

Status of Finding: These grants are completed on a reimbursement basis only and therefore will not be an issue any longer

FINDING 2011-4 - INTERNAL CONTROL/REPORTING

"As part of the Title I Grants to Local Educational Agencies grant agreements between the School Corporation and the Indiana Department of Education, the School Corporation is required to submit quarterly reports by the 10th of the month following the end of the quarter. Of the eight quarterly reports due for the audit period, four were not filed timely and the report for the fourth quarter of the 2010-2011 school year was not filed at all."

Fiscal Year 2009-2010 and 2010-2011
Auditee Contact Person Laura L. Mullen
Title of Contact Person Corporation Treasurer
Phone Number 317-835-7461

Status of Finding: At the beginning of my tenure as treasurer I was contacted by Title I to complete reports that were missing from the previous treasurer. I tried to complete these and the new ones due on a timely basis. Due to being new and a huge learning curve, I may not have always succeeded in getting them done on time, but I try to be very cautious about completing the reports. We have a new email system that allows us to create job lists on a calendar. I will be creating job lists with due dates for these reports on this system.

Sincerely,



Laura L. Mullen
Corporation Treasurer



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

Contact Person: Laura L. Mullen
Contact Number: 317-835-7461
Anticipated Completion Date: Immediately

CORRECTIVE ACTION PLAN

We have recently hired a Deputy Treasurer in addition to our Corporation Treasurer and our Payroll Clerk. With this addition to personnel, we feel we will be able to implement segregation of duties within the Business Office. We have made changes in receipting by developing a three step process for opening & copying checks, receipt entry and balancing of incoming funds. We are in the process of developing additional control procedures in our Business Office as our Deputy Treasurer is trained.

Signed Laura L. Mullen

Titled Corporation Treasurer

Date March 11, 2014



FINDING 2013-002 – INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person: Laura Mullen
Contact Number: 317-835-7461
Anticipated Completion Date: Immediately

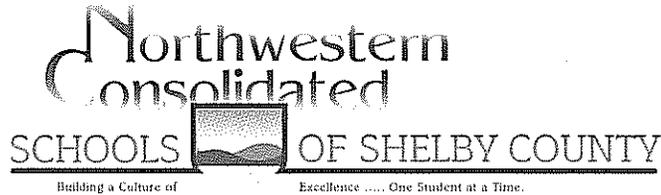
CORRECTIVE ACTION PLAN

The Corporation Treasurer will create a new SEFA report that can be updated as each new Federal grant is awarded and expended. She will keep an electronic and a paper file for this report. If there is a change in personnel between now and the next audit, a new treasurer would be able to recreate the report based on this information. The Corporation Treasurer will research additional training for the completion of this report

Signed Laura Mullen

Titled Corporation Treasurer

Date March 11, 2014



FINDING 2013-003 - CASH MANAGEMENT AND REPORTING

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 11-7350, 12-7350, 13-7350
Pass-Through Entity: Indiana Department of Education

Federal Agency: U.S. 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): SY 11/12 and SY 12/13
Pass-Through Entity: Indiana Department of Education

Contact Person: Laura Mullen
Contact Number: 317-835-7461
Anticipated Completion Date: Immediately

CORRECTIVE ACTION PLAN

Before submitting a Title I reimbursement request, the Corporation Treasurer will present the forms and supporting documents to the Deputy Treasurer for review. The Deputy Treasurer will sign off on the sheets and then the treasurer will submit the forms for both Title I and Title II for reimbursement. The signed forms will be kept in the corresponding grant file for the auditors review.

Before submitting the School Breakfast Program and National School Lunch Program reimbursement requests, the Director Of Food Services will present the forms and supporting documents to her Cafeteria Manager for review. The Cafeteria Manager will sign off on the sheets and then the Director of Food Service will submit the forms to the state for reimbursement. These sheets will be kept for the auditors review.

Signed Laura B Mullen

Titled _____ Corporation Treasurer _____

Date March 11, 2014

Northwestern
Consolidated
SCHOOLS OF SHELBY COUNTY

FINDING 2013-004 – ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 11-7350, 12-7350, 13-7350
Pass-Through Entity: Indiana Department of Education

Federal Agency: U.S. 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): SY 11/12 and SY 12/13
Pass-Through Entity: Indiana Department of Education

Contact Person:
Contact Number:
Anticipated Completion Date

CORRECTIVE ACTION PLAN

Our Title I Director has been given Time & Effort sheets for our employees and instructed to have these filled out on a bi-annual basis. Once filled out & signed, the sheets will be housed in the grant file held in the administrative office. The Corporation Treasurer will verify that these are being done on a bi-annual basis.

Our Director of Food Service has been given Time & Effort sheets for our employees and instructed to have these filled out on a bi-annual basis. Once filled out & signed, the sheets will be returned to the administrative office where they will be housed until the next audit. The Corporation Treasurer will verify that these are being done on a bi-annual basis.

Signed *Laura A Miller*
Titled _____ Corporation Treasurer _____
Date _____

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 12, 2014, with Dr. Shane Robbins, Superintendent of Schools; Laura L. Mullen, Treasurer; John Merlau, President of the School Board; and Jeremy Miller, School Board member.