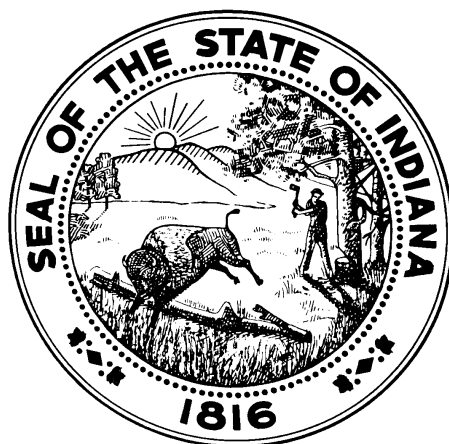


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
NORTH WEST HENDRICKS SCHOOL CORPORATION  
HENDRICKS COUNTY, INDIANA  
July 1, 2005 to June 30, 2007



**FILED**  
03/31/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash and Investment Basis .....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balance - Cash and Investment Basis - Governmental Funds .....	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Basis - Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-25
Required Supplementary Information:	
Schedule of Funding Progress .....	26
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Other Governmental Funds .....	27-39
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Private-Purpose Trust Funds .....	40-43
Schedule of Long-Term Debt .....	44
Audit Results and Comments:	
Errors on Claims .....	45
Capital Asset Records .....	46
Retirement/Severance Buyout .....	46
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	48-49
Schedule of Expenditures of Federal Awards .....	50
Notes to Schedule of Expenditures of Federal Awards .....	51
Schedule of Findings and Questioned Costs .....	52
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings .....	53
Exit Conference .....	54

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pat J. Willard	07-01-05 to 06-30-08
Superintendent of Schools	Larry F. Rambis Dr. Leo Philbin	07-01-05 to 06-30-06 07-01-06 to 06-30-08
President of the School Board	Lisa Tanselle	07-01-05 to 06-30-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North West Hendricks School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 29, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 29, 2008



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North West Hendricks School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
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 statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated January 29, 2008.

This report is intended solely for the information and use of the School Corporation's management, Board of School Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 29, 2008



NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 4,840,403	\$ -	\$ 49,813	\$ (4,790,590)
Support services	8,007,951	788,471	143,654	(7,075,826)
Community services	183,194	-	-	(183,194)
Nonprogrammed charges	146,110	-	-	(146,110)
Debt service	2,508,643	-	-	(2,508,643)
<b>Total governmental activities</b>	<b><u>\$ 15,686,301</u></b>	<b><u>\$ 788,471</u></b>	<b><u>\$ 193,467</u></b>	<b><u>(14,704,363)</u></b>
General receipts:				
Property taxes				7,472,441
Other local sources				1,455,782
State aid				5,371,897
Grants and contributions not restricted to specific programs				434,633
Sale of property, adjustments, and refunds				214,497
Investment earnings				44,508
<b>Total general receipts</b>				<b><u>14,993,758</u></b>
Change in net assets				289,395
Net assets - beginning				<u>1,420,794</u>
Net assets - ending				<b><u>\$ 1,710,189</u></b>
<b>Assets</b>				
Cash and investments				\$ 1,272,494
Restricted assets:				
Cash and investments				<u>437,695</u>
<b>Total assets</b>				<b><u>\$ 1,710,189</u></b>
<b>Net Assets</b>				
Restricted for:				
Debt service				\$ 437,695
Unrestricted				<u>1,272,494</u>
<b>Total net assets</b>				<b><u>\$ 1,710,189</u></b>

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 5,054,986	\$ -	\$ 48,833	\$ (5,006,153)
Support services	8,442,355	862,120	142,565	(7,437,670)
Community services	189,263	-	-	(189,263)
Nonprogrammed charges	145,151	-	-	(145,151)
Debt service	2,326,936	-	-	(2,326,936)
<b>Total governmental activities</b>	<b><u>\$ 16,158,691</u></b>	<b><u>\$ 862,120</u></b>	<b><u>\$ 191,398</u></b>	<b><u>(15,105,173)</u></b>
General receipts:				
Property taxes				7,704,894
Other local sources				1,478,977
State aid				5,575,261
Grants and contributions not restricted to specific programs				524,463
Sale of property, adjustments, and refunds				63,230
Investment earnings				85,190
<b>Total general receipts</b>				<b><u>15,432,015</u></b>
Change in net assets				326,842
Net assets - beginning				<u>1,710,189</u>
Net assets - ending				<b><u>\$ 2,037,031</u></b>
<b><u>Assets</u></b>				
Cash and investments				\$ 1,516,035
Restricted assets:				
Cash and investments				<u>520,996</u>
<b>Total assets</b>				<b><u>\$ 2,037,031</u></b>
<b><u>Net Assets</u></b>				
Restricted for:				
Debt service				\$ 520,996
Unrestricted				<u>1,516,035</u>
<b>Total net assets</b>				<b><u>\$ 2,037,031</u></b>

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 3,916,400	\$ 782,332	\$ 2,295,707	\$ 1,209,663	\$ 410,087	\$ 1,143,087	\$ 9,757,276
Intermediate sources	-	-	-	-	-	3,924	3,924
State sources	5,408,602	-	-	-	-	102,617	5,511,219
Federal sources	-	-	-	-	-	488,778	488,778
Sale of property, adjustments and refunds	51,512	2,698	-	47,477	-	112,812	214,499
<b>Total receipts</b>	<b>9,376,514</b>	<b>785,030</b>	<b>2,295,707</b>	<b>1,257,140</b>	<b>410,087</b>	<b>1,851,218</b>	<b>15,975,696</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	4,456,087	-	-	-	-	384,316	4,840,403
Support services	4,876,226	812,240	-	1,026,861	251,093	1,041,531	8,007,951
Community services	181,632	-	-	-	-	1,562	183,194
Nonprogrammed charges	143,334	-	-	-	-	2,776	146,110
Debt services	-	-	2,267,485	-	-	241,158	2,508,643
<b>Total disbursements</b>	<b>9,657,279</b>	<b>812,240</b>	<b>2,267,485</b>	<b>1,026,861</b>	<b>251,093</b>	<b>1,671,343</b>	<b>15,686,301</b>
Excess (deficiency) of receipts over disbursements	(280,765)	(27,210)	28,222	230,279	158,994	179,875	289,395
<b>Other financing sources (uses):</b>							
Transfers in	338,260	-	-	30,683	-	91,596	460,539
Transfers out	(37,948)	(730)	(2,282)	(337,855)	(377)	(81,347)	(460,539)
<b>Total other financing sources (uses)</b>	<b>300,312</b>	<b>(730)</b>	<b>(2,282)</b>	<b>(307,172)</b>	<b>(377)</b>	<b>10,249</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,547	(27,940)	25,940	(76,893)	158,617	190,124	289,395
Cash and investments - beginning	1,904	115,958	411,754	551,020	71,184	268,974	1,420,794
Cash and investments - ending	\$ 21,451	\$ 88,018	\$ 437,694	\$ 474,127	\$ 229,801	\$ 459,098	\$ 1,710,189
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 21,451	\$ 88,018	\$ -	\$ 474,127	\$ 229,801	\$ 459,097	\$ 1,272,494
Restricted assets:							
Cash and investments	-	-	437,694	-	-	1	437,695
<b>Total cash and investment assets - ending</b>	<b>\$ 21,451</b>	<b>\$ 88,018</b>	<b>\$ 437,694</b>	<b>\$ 474,127</b>	<b>\$ 229,801</b>	<b>\$ 459,098</b>	<b>\$ 1,710,189</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 437,694	\$ -	\$ -	\$ 1	\$ 437,695
Unrestricted	21,451	88,018	-	474,127	229,801	459,097	1,272,494
<b>Total cash and investment fund balance - ending</b>	<b>\$ 21,451</b>	<b>\$ 88,018</b>	<b>\$ 437,694</b>	<b>\$ 474,127</b>	<b>\$ 229,801</b>	<b>\$ 459,098</b>	<b>\$ 1,710,189</b>

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 4,020,011	\$ 825,231	\$ 2,204,418	\$ 1,411,059	\$ 462,818	\$ 1,201,284	\$ 10,124,821
Intermediate sources	345	-	-	-	-	6,016	6,361
State sources	5,610,974	-	-	-	-	137,958	5,748,932
Federal sources	-	-	-	-	-	542,189	542,189
Sale of property, adjustments and refunds	20,958	1,550	-	1,400	-	39,322	63,230
<b>Total receipts</b>	<b>9,652,288</b>	<b>826,781</b>	<b>2,204,418</b>	<b>1,412,459</b>	<b>462,818</b>	<b>1,926,769</b>	<b>16,485,533</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	4,560,129	-	-	-	-	494,857	5,054,986
Support services	4,547,073	871,345	12,270	1,519,908	325,022	1,166,737	8,442,355
Community services	187,992	-	-	-	-	1,271	189,263
Nonprogrammed charges	113,445	-	-	-	-	31,706	145,151
Debt services	-	-	2,089,886	-	-	237,050	2,326,936
<b>Total disbursements</b>	<b>9,408,639</b>	<b>871,345</b>	<b>2,102,156</b>	<b>1,519,908</b>	<b>325,022</b>	<b>1,931,621</b>	<b>16,158,691</b>
Excess (deficiency) of receipts over disbursements	243,649	(44,564)	102,262	(107,449)	137,796	(4,852)	326,842
<b>Other financing sources (uses):</b>							
Transfers in	46,290	18,892	-	308,894	-	19,994	394,070
Transfers out	(307,314)	-	(18,892)	-	(546)	(67,318)	(394,070)
<b>Total other financing sources (uses)</b>	<b>(261,024)</b>	<b>18,892</b>	<b>(18,892)</b>	<b>308,894</b>	<b>(546)</b>	<b>(47,324)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,375)	(25,672)	83,370	201,445	137,250	(52,176)	326,842
Cash and investments - beginning	21,451	88,018	437,694	474,127	229,801	459,098	1,710,189
Cash and investments - ending	<u>\$ 4,076</u>	<u>\$ 62,346</u>	<u>\$ 521,064</u>	<u>\$ 675,572</u>	<u>\$ 367,051</u>	<u>\$ 406,922</u>	<u>\$ 2,037,031</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 4,076	\$ 62,346	\$ -	\$ 675,572	\$ 367,051	\$ 406,990	\$ 1,516,035
Restricted assets:							
Cash and investments	-	-	521,064	-	-	(68)	520,996
<b>Total cash and investment assets - ending</b>	<u>\$ 4,076</u>	<u>\$ 62,346</u>	<u>\$ 521,064</u>	<u>\$ 675,572</u>	<u>\$ 367,051</u>	<u>\$ 406,922</u>	<u>\$ 2,037,031</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 521,064	\$ -	\$ -	\$ (68)	\$ 520,996
Unrestricted	4,076	62,346	-	675,572	367,051	406,990	1,516,035
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,076</u>	<u>\$ 62,346</u>	<u>\$ 521,064</u>	<u>\$ 675,572</u>	<u>\$ 367,051</u>	<u>\$ 406,922</u>	<u>\$ 2,037,031</u>

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BASIS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ 3,010	\$ 35,388	
Deductions:			
Benefits	167,499	-	
Administrative and general	-	44,395	
Total deductions	<u>167,499</u>	<u>44,395</u>	
Deficiency of total additions over total deductions	(164,489)	(9,007)	
Cash and investment fund balance - beginning	<u>846,726</u>	<u>100,636</u>	
Cash and investment fund balance - ending	<u>\$ 682,237</u>	<u>\$ 91,630</u>	
Net assets:			
Cash and investments	<u>\$ 682,237</u>	<u>\$ 91,630</u>	<u>\$ (390)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 682,237</u>	<u>\$ 91,630</u>	<u>\$ (390)</u>

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BASIS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2007

	Pension Trust Funds	Private-Purpose Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 58,820	
Deductions:			
Benefits	211,109	-	
Administrative and general	-	73,183	
Total deductions	211,109	73,183	
Deficiency of total additions over total deductions	(211,109)	(14,363)	
Cash and investment fund balance - beginning	682,237	91,630	
Cash and investment fund balance - ending	\$ 471,128	\$ 77,267	
Net assets:			
Cash and investments	\$ 471,128	\$ 77,267	\$ 606
Total net assets - cash and investment basis held in trust	\$ 471,128	\$ 77,267	\$ 606

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

NORTH WEST HENDRICKS SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: North West Hendricks School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Plainfield Community School Corporation, Mill Creek Community School Corporation, Speedway City Schools, Mooresville Consolidated School Corporation, Eminence Consolidated School Corporation, Avon Community School Corporation, Brownsburg Community School Corporation, Danville Community School Corporation, MSD Decatur Township, and MSD Wayne Township in a joint venture to operate Area 31 Career Programs which was created to provide vocational education. The Area 31 Career Programs' continued existence depends on continued funding by the School Corporation. Complete financial statements for the Area 31 Career Programs can be obtained from Area 31 Career Programs, 1220 South High School Road, Indianapolis, Indiana, 46241-3199.

The School Corporation is a participant with Clinton Central School Corporation, Clinton Prairie School Corporation, Community Schools of Frankfort, Lebanon Community School Corporation, Rossville Consolidated School District, and Western Boone County Community School Corporation in a joint venture to operate Boone-Clinton-Northwest Hendricks County Joint Service which was created to provide instruction for handicapped children. The Boone-Clinton-Northwest Hendricks County Joint Service's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Boone-Clinton-Northwest Hendricks County Joint Service can be obtained from Community School of Frankfort, Frankfort, Indiana, 46041.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for bonds and payments anticipated to be made to employees on or after termination of employment or to pay post-retirement or severance benefits held by the School Corporation in a trust capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the individuals.

Agency funds account for assets held by the School Corporation as an agent for employees and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.



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

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

Teaching or Certified School Corporation employees earn sick leave at the rate of 10 days per year. Unused sick leave may be accumulated to a maximum of 200. Accumulated sick leave is paid to employees through cash payments upon termination at the rate of \$30 for each day.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

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

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 to 7 days per year based upon the employee position. Unused personal leave may be accumulated to a maximum of 50 days. Accumulated personal leave is paid to employees through cash payments upon request at termination.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets - Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through

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

the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2006	2007
Special Education	\$ 3,935	\$ -
Title II, Part A	1	-
Youth as Resource Bookworm	-	1
Lilly Science Outreach	-	39
Title V, Part A	-	57
Retirement Debt Service	-	68

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2007, the School Corporation had the following investments:

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

Investment Type	Primary Government Market Value
Stock (1)	\$ 93,535

(1) The School Corporation received the 962 shares of Prudential Financial, Inc., stock when Prudential was converted to a publically traded company. The number of shares received was based on the life insurance policy the School Corporation was paying for its employees.

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2006	2007
General Fund	Capital Projects Fund	\$ -	\$ 306,439
General Fund	Nonmajor funds	37,948	875
Capital Projects Fund	General Fund	306,439	-
Debt Service Fund	Transportation Operating Fund	-	18,892
Transportation Operating Fund	Nonmajor funds	730	-
Debt Service Fund	Nonmajor funds	2,282	-
Capital Projects Fund	Nonmajor funds	31,416	-
School Bus Replacement Fund	Nonmajor funds	377	546
Nonmajor funds	General Fund	31,821	46,290
Nonmajor funds	Capital Projects Fund	30,683	2,455
Nonmajor funds	Nonmajor funds	18,843	18,573
Totals		<u>\$ 460,539</u>	<u>\$ 394,070</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Restatements and Reclassifications

For the year ended June 30, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent expenditures paid out of a fiduciary fund that should have been paid out of a governmental fund.

Opinion Unit	Balance as Reported June 30, 2005	Fund Reclassification	Prior Period Adjustments	Balance as Restated July 1, 2006
Other Governmental	\$ 473,318	\$ (84,347)	\$ (119,997)	\$ 268,974
Fiduciary - Pension Trust	726,729	-	119,997	846,726
Fiduciary - Private-Purpose Trust	16,289	84,347	-	100,636

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

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of 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 (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with North West Hendricks Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation.

The facilities under the lease are included in the capital assets note of the School Corporation and the corresponding lease obligation has been included in the governmental activities column of the lease note. Lease payments during the years totaled \$3,661,500.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. Currently, 7 retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits for single coverage and 85% of the cost for family coverage. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the two years ended June 30, 2007, disbursements of \$126,872 were recognized for postemployment benefits.

Effective July 1, 2004, the North West Hendricks School Corporation switched its postemployment benefits. Prior to July 1, 2004, when teachers retired they were entitled to health insurance from the date of retirement until their 65<sup>th</sup> birthday. In order to eliminate the health insurance benefit, the School Corporation entered into a buyout agreement. The buyout agreement calculated the value of the health insurance based upon age, years already completed at the School Corporation, years until retirement and other variables. The calculation created an amount due to each certified employee. These amounts were then transferred into a VEBA account in each of the certified employees' names. All teachers that were employed at the time of the buyout had a VEBA account created. If the teacher did not retire but left employment with the School Corporation the money allocated to his/her VEBA account was reallocated to the teachers remaining in the pool. When a teacher would retire, he/she would receive his/her balance in his/her account.

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

The calculation for the VEBA account assumed a retirement age of 59. However, teachers can retire at the age of 50 if eligible. In order to compensate for the difference in the cost for the teachers that retired at age 50, a supplemental benefit clause was added to the buyout agreement. The clause stated that an additional amount would be paid to a person's VEBA account to compensate for the additional years if they retired prior to age 59. The total of the supplemental payments could accumulate to a maximum of \$275,000. The supplemental amount also has to be claimed by July 31, 2013.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.



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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 60,078
Interest on net pension obligation	(5,724)
Adjustment to annual required contribution	6,523
Annual pension cost	60,877
Contributions made	53,105
Increase in net pension obligation	7,772
Net pension obligation, beginning of year	(78,948)
Net pension obligation, end of year	\$ (71,176)
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 37,485	143%	\$ (85,765)
	06-30-05	59,576	89%	(78,948)
	06-30-06	60,877	87%	(71,176)

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

b. Tax Deferred Annuity Plan

Plan Description

The School Corporation has established a Tax Deferred Annuity plan for its noncertified employees. The terms of the plan are intended to comply with Section 403(b) of the Internal Revenue Service Code of 1986 as amended, and Treasury Regulations thereunder. The effective date of the plan was October 1997. Some of the specifics of the plan include an employer matching contribution of up to 1.5% of participant's base compensation and a participant contribution limit of up to the IRS guidelines. Participants are 100% vested at all times for the value of their individual account attributable to salary reduction contributions. Employees become vested after three years for the value of employer contributions to that individual account. Employer contributions to the plan were \$145,091 for the two years ended June 30, 2007.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

TRF 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:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$226,414, \$204,093, and \$340,317, respectively.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 288,154	\$ 512,147	\$ (223,993)	56%	\$ 753,966	(30%)
07-01-05	330,225	565,273	(235,048)	58%	722,180	(33%)
07-01-06	373,614	880,504	(506,890)	42%	863,176	(59%)

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	School Lunch	Textbooks	Levy Excess	Educational Plate Fees	Safe Haven	Gifted/Talented Early Riser
<b>Receipts:</b>							
Local sources	\$ 9,764	\$ 538,358	\$ 252,612	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	924	-	-
State sources	46,732	12,561	10,759	-	-	3,242	-
Federal sources	-	120,334	-	-	-	-	-
Sale of property, adjustments and refunds	-	1,504	4,859	-	-	-	-
<b>Total receipts</b>	<b>56,496</b>	<b>672,757</b>	<b>268,230</b>	<b>-</b>	<b>924</b>	<b>3,242</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	26,312	60	-	-	-	400	-
Support services	1,760	625,884	275,849	-	-	4,536	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	1,845	-	-	-	715	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>29,917</b>	<b>625,944</b>	<b>275,849</b>	<b>-</b>	<b>715</b>	<b>4,936</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	26,579	46,813	(7,619)	-	209	(1,694)	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	38,644	-	-	215
Transfers out	(9)	-	-	(30,296)	-	(493)	-
<b>Total other financing sources (uses)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>8,348</b>	<b>-</b>	<b>(493)</b>	<b>215</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,570	46,813	(7,619)	8,348	209	(2,187)	215
Cash and investments - beginning	56,010	7,856	96,392	510	206	2,188	1,396
Cash and investments - ending	<u>\$ 82,580</u>	<u>\$ 54,669</u>	<u>\$ 88,773</u>	<u>\$ 8,858</u>	<u>\$ 415</u>	<u>\$ 1</u>	<u>\$ 1,611</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 82,580	\$ 54,669	\$ 88,773	\$ 8,858	\$ 415	\$ 1	\$ 1,611
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 82,580</b>	<b>\$ 54,669</b>	<b>\$ 88,773</b>	<b>\$ 8,858</b>	<b>\$ 415</b>	<b>\$ 1</b>	<b>\$ 1,611</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	82,580	54,669	88,773	8,858	415	1	1,611
<b>Total cash and investment fund balance - ending</b>	<b>\$ 82,580</b>	<b>\$ 54,669</b>	<b>\$ 88,773</b>	<b>\$ 8,858</b>	<b>\$ 415</b>	<b>\$ 1</b>	<b>\$ 1,611</b>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Instructional Support Fees	Economic Education Grant	Technology Grant	Gifted and Talented	Drug Free Community	Medicaid Reimbursement	Swim Program Tri West
<b>Receipts:</b>							
Local sources	\$ 84,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,832
Intermediate sources	-	-	-	-	3,000	-	-
State sources	-	2,500	-	13,042	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	3,717	-	-	-	-	-	-
<b>Total receipts</b>	<b>88,353</b>	<b>2,500</b>	<b>-</b>	<b>13,042</b>	<b>3,000</b>	<b>-</b>	<b>8,832</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	62,646	2,299	-	-	-	-	8,275
Support services	4,699	27	-	13,471	6,162	-	637
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>67,345</b>	<b>2,326</b>	<b>-</b>	<b>13,471</b>	<b>6,162</b>	<b>-</b>	<b>8,912</b>
Excess (deficiency) of receipts over disbursements	21,008	174	-	(429)	(3,162)	-	(80)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	286	2,931	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286</b>	<b>2,931</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,008	174	-	(143)	(231)	-	(80)
Cash and investments - beginning	26,644	905	1,679	143	231	2,740	445
Cash and investments - ending	<u>\$ 47,652</u>	<u>\$ 1,079</u>	<u>\$ 1,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,740</u>	<u>\$ 365</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 47,652	\$ 1,079	\$ 1,679	\$ -	\$ -	\$ 2,740	\$ 365
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 47,652</u>	<u>\$ 1,079</u>	<u>\$ 1,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,740</u>	<u>\$ 365</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-
Unrestricted	47,652	1,079	1,679	-	-	2,740	365
<b>Total cash and investment fund balance - ending</b>	<u>\$ 47,652</u>	<u>\$ 1,079</u>	<u>\$ 1,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,740</u>	<u>\$ 365</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Extra-Curricular Summer Athletics	Non-English Speaking Program	Wal-Mart Foundation Bonus Grant	NCLB Construction Current Project	Youth as Resource Bookworm	North Salem Elementary Garden Club
<b>Receipts:</b>						
Local sources	\$ 4,635	\$ -	\$ 1,750	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	66	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	48	-
<b>Total receipts</b>	<b>4,635</b>	<b>66</b>	<b>1,750</b>	<b>-</b>	<b>48</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,234	-	811	288	433	179
Support services	102	-	-	-	-	-
Community services	1,102	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,438</b>	<b>-</b>	<b>811</b>	<b>288</b>	<b>433</b>	<b>179</b>
Excess (deficiency) of receipts over disbursements	2,197	66	939	(288)	(385)	(179)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	81
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,197	66	939	(288)	(385)	(98)
Cash and investments - beginning	1,670	-	500	300	451	98
Cash and investments - ending	<u>\$ 3,867</u>	<u>\$ 66</u>	<u>\$ 1,439</u>	<u>\$ 12</u>	<u>\$ 66</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,867	\$ 66	\$ 1,439	\$ 12	\$ 66	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 3,867</u></b>	<b><u>\$ 66</u></b>	<b><u>\$ 1,439</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 66</u></b>	<b><u>\$ -</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	3,867	66	1,439	12	66	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 3,867</u></b>	<b><u>\$ 66</u></b>	<b><u>\$ 1,439</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 66</u></b>	<b><u>\$ -</u></b>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Connect 2000 Grant	LEEP Fund	Insurance Claims	Title I	Title VI	Title V Part A
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	13,715	-	-	-	-	-
Federal sources	-	-	-	65,083	-	4,140
Sale of property, adjustments and refunds	-	-	99,877	-	-	684
<b>Total receipts</b>	<u>13,715</u>	<u>-</u>	<u>99,877</u>	<u>65,083</u>	<u>-</u>	<u>4,824</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	2,141	55,384	-	-
Support services	-	-	20,200	10,200	-	5,193
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>-</u>	<u>22,341</u>	<u>65,584</u>	<u>-</u>	<u>5,193</u>
Excess (deficiency) of receipts over disbursements	<u>13,715</u>	<u>-</u>	<u>77,536</u>	<u>(501)</u>	<u>-</u>	<u>(369)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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>13,715</u>	<u>-</u>	<u>77,536</u>	<u>(501)</u>	<u>-</u>	<u>(369)</u>
Cash and investments - beginning	<u>10,729</u>	<u>19</u>	<u>16,644</u>	<u>15,675</u>	<u>80</u>	<u>2,524</u>
Cash and investments - ending	<u>\$ 24,444</u>	<u>\$ 19</u>	<u>\$ 94,180</u>	<u>\$ 15,174</u>	<u>\$ 80</u>	<u>\$ 2,155</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 24,444	\$ 19	\$ 94,180	\$ 15,174	\$ 80	\$ 2,155
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 24,444</u>	<u>\$ 19</u>	<u>\$ 94,180</u>	<u>\$ 15,174</u>	<u>\$ 80</u>	<u>\$ 2,155</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	<u>24,444</u>	<u>19</u>	<u>94,180</u>	<u>15,174</u>	<u>80</u>	<u>2,155</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 24,444</u>	<u>\$ 19</u>	<u>\$ 94,180</u>	<u>\$ 15,174</u>	<u>\$ 80</u>	<u>\$ 2,155</u>



NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Learn and America Grant	Special Education	Title IV	Medicaid Reimbursement Federal	Federal Hurricane Education	Class Size Reduction
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	250,172	4,678	-	9,000	-
Sale of property, adjustments and refunds	-	55	250	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>250,227</b>	<b>4,928</b>	<b>-</b>	<b>9,000</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	205,281	276	-	-	18,297
Support services	-	41,851	5,885	-	-	-
Community services	460	-	-	-	-	-
Nonprogrammed charges	-	-	-	216	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>460</b>	<b>247,132</b>	<b>6,161</b>	<b>216</b>	<b>-</b>	<b>18,297</b>
Excess (deficiency) of receipts over disbursements	(460)	3,095	(1,233)	(216)	9,000	(18,297)
<b>Other financing sources (uses):</b>						
Transfers in	-	24,791	279	-	-	18,100
Transfers out	-	(31,821)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(7,030)</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>18,100</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(460)	(3,935)	(954)	(216)	9,000	(197)
Cash and investments - beginning	668	-	2,016	4,240	-	13,771
Cash and investments - ending	<u>\$ 208</u>	<u>\$ (3,935)</u>	<u>\$ 1,062</u>	<u>\$ 4,024</u>	<u>\$ 9,000</u>	<u>\$ 13,574</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 208	\$ (3,935)	\$ 1,062	\$ 4,024	\$ 9,000	\$ 13,574
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 208</u>	<u>\$ (3,935)</u>	<u>\$ 1,062</u>	<u>\$ 4,024</u>	<u>\$ 9,000</u>	<u>\$ 13,574</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	208	(3,935)	1,062	4,024	9,000	13,574
<b>Total cash and investment fund balance - ending</b>	<u>\$ 208</u>	<u>\$ (3,935)</u>	<u>\$ 1,062</u>	<u>\$ 4,024</u>	<u>\$ 9,000</u>	<u>\$ 13,574</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Title II Part A	Title II Part D	Library Grant	Retirement Debt Service	Construction Fund	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 242,500	\$ -	\$ 1,143,087
Intermediate sources	-	-	-	-	-	3,924
State sources	-	-	-	-	-	102,617
Federal sources	33,641	1,342	388	-	-	488,778
Sale of property, adjustments and refunds	1,818	-	-	-	-	112,812
<b>Total receipts</b>	<b>35,459</b>	<b>1,342</b>	<b>388</b>	<b>242,500</b>	<b>-</b>	<b>1,851,218</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	384,316
Support services	19,233	1,842	4,000	-	-	1,041,531
Community services	-	-	-	-	-	1,562
Nonprogrammed charges	-	-	-	-	-	2,776
Debt services	-	-	-	241,158	-	241,158
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>19,233</b>	<b>1,842</b>	<b>4,000</b>	<b>241,158</b>	<b>-</b>	<b>1,671,343</b>
Excess (deficiency) of receipts over disbursements	16,226	(500)	(3,612)	1,342	-	179,875
<b>Other financing sources (uses):</b>						
Transfers in	68	-	4,000	2,201	-	91,596
Transfers out	(18,100)	-	(388)	(240)	-	(81,347)
<b>Total other financing sources (uses)</b>	<b>(18,032)</b>	<b>-</b>	<b>3,612</b>	<b>1,961</b>	<b>-</b>	<b>10,249</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,806)	(500)	-	3,303	-	190,124
Cash and investments - beginning	1,805	1,276	-	(3,302)	2,465	268,974
Cash and investments - ending	<u>(1)</u>	<u>776</u>	<u>-</u>	<u>1</u>	<u>2,465</u>	<u>459,098</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (1)	\$ 776	\$ -	\$ -	\$ 2,465	\$ 459,097
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	1	-	1
<b>Total cash and investment assets - ending</b>	<b><u>(1)</u></b>	<b><u>776</u></b>	<b><u>-</u></b>	<b><u>1</u></b>	<b><u>2,465</u></b>	<b><u>459,098</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 1
Other purposes	-	-	-	-	-	-
Unrestricted	(1)	776	-	-	2,465	459,097
<b>Total cash and investment fund balance - ending</b>	<b><u>(1)</u></b>	<b><u>776</u></b>	<b><u>-</u></b>	<b><u>1</u></b>	<b><u>2,465</u></b>	<b><u>459,098</u></b>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbooks	Levy Excess	Educational Plate Fees	Safe Haven
<b>Receipts:</b>						
Local sources	\$ 9,774	\$ 612,585	\$ 250,558	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	1,256	-
State sources	50,361	12,994	23,444	-	-	3,955
Federal sources	-	94,682	-	-	-	-
Sale of property, adjustments and refunds	-	2,301	300	-	-	-
<b>Total receipts</b>	<b>60,135</b>	<b>722,562</b>	<b>274,302</b>	<b>-</b>	<b>1,256</b>	<b>3,955</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	45,648	-	-	-	-	-
Support services	2,143	647,640	243,415	-	-	1,997
Community services	-	-	-	-	-	1,000
Nonprogrammed charges	29,504	-	-	-	509	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>77,295</b>	<b>647,640</b>	<b>243,415</b>	<b>-</b>	<b>509</b>	<b>2,997</b>
Excess (deficiency) of receipts over disbursements	(17,160)	74,922	30,887	-	747	958
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	546	-	-
Transfers out	-	-	-	(8,857)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,311)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,160)	74,922	30,887	(8,311)	747	958
Cash and investments - beginning	82,580	54,669	88,773	8,858	415	1
Cash and investments - ending	<u>\$ 65,420</u>	<u>\$ 129,591</u>	<u>\$ 119,660</u>	<u>\$ 547</u>	<u>\$ 1,162</u>	<u>\$ 959</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 65,420	\$ 129,591	\$ 119,660	\$ 547	\$ 1,162	\$ 959
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 65,420</u>	<u>\$ 129,591</u>	<u>\$ 119,660</u>	<u>\$ 547</u>	<u>\$ 1,162</u>	<u>\$ 959</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	65,420	129,591	119,660	547	1,162	959
<b>Total cash and investment fund balance - ending</b>	<u>\$ 65,420</u>	<u>\$ 129,591</u>	<u>\$ 119,660</u>	<u>\$ 547</u>	<u>\$ 1,162</u>	<u>\$ 959</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Gifted/Talented Early Riser	Instructional Support Fees	Economic Education Grant	Technology Grant	Gifted and Talented	Drug Free Community
<b>Receipts:</b>						
Local sources	\$ -	\$ 77,071	\$ -	\$ -	\$ -	\$ 894
Intermediate sources	-	-	-	-	-	4,760
State sources	-	-	2,500	-	13,042	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	64	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>77,135</b>	<b>2,500</b>	<b>-</b>	<b>13,042</b>	<b>5,654</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	75,637	2,462	-	-	-
Support services	-	-	-	-	8,846	2,394
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,000	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>75,637</b>	<b>2,462</b>	<b>-</b>	<b>9,846</b>	<b>2,394</b>
Excess (deficiency) of receipts over disbursements	-	1,498	38	-	3,196	3,260
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	473
Transfers out	(1,611)	-	-	(1,679)	(286)	(2,931)
<b>Total other financing sources (uses)</b>	<b>(1,611)</b>	<b>-</b>	<b>-</b>	<b>(1,679)</b>	<b>(286)</b>	<b>(2,458)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,611)	1,498	38	(1,679)	2,910	802
Cash and investments - beginning	1,611	47,652	1,079	1,679	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 49,150</u>	<u>\$ 1,117</u>	<u>\$ -</u>	<u>\$ 2,910</u>	<u>\$ 802</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 49,150	\$ 1,117	\$ -	\$ 2,910	\$ 802
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 49,150</u>	<u>\$ 1,117</u>	<u>\$ -</u>	<u>\$ 2,910</u>	<u>\$ 802</u>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	49,150	1,117	-	2,910	802
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 49,150</u>	<u>\$ 1,117</u>	<u>\$ -</u>	<u>\$ 2,910</u>	<u>\$ 802</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Medicaid Reimbursement	Swim Program Tri West	Extra-Curricular Summer Athletics	Non-English Speaking Program	Access Indiana	Wal-Mart Foundation Bonus Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ 8,521	\$ 708	\$ -	\$ -	\$ 1,000
Intermediate sources	-	-	-	-	-	-
State sources	4,349	-	-	78	3,990	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>4,349</u>	<u>8,521</u>	<u>708</u>	<u>78</u>	<u>3,990</u>	<u>1,000</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	8,126	4,208	-	-	1,135
Support services	-	625	267	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>8,751</u>	<u>4,475</u>	<u>-</u>	<u>-</u>	<u>1,135</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>4,349</u>	<u>(230)</u>	<u>(3,767)</u>	<u>78</u>	<u>3,990</u>	<u>(135)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(6,989)	-	(100)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(6,989)</u>	<u>-</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(2,640)</u>	<u>(230)</u>	<u>(3,867)</u>	<u>78</u>	<u>3,990</u>	<u>(135)</u>
<b>Cash and investments - beginning</b>	<u>2,740</u>	<u>365</u>	<u>3,867</u>	<u>66</u>	<u>-</u>	<u>1,439</u>
<b>Cash and investments - ending</b>	<u>\$ 100</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ 3,990</u>	<u>\$ 1,304</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 100	\$ 135	\$ -	\$ 144	\$ 3,990	\$ 1,304
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 100</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ 3,990</u>	<u>\$ 1,304</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	100	135	-	144	3,990	1,304
<b>Total cash and investment fund balance - ending</b>	<u>\$ 100</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 144</u>	<u>\$ 3,990</u>	<u>\$ 1,304</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	NCLB Construction Current Project	Youth as Resource Bookworm	Connect 2000 Grant	LEEP Fund	Insurance Claims	21st Century Schools
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 991
Intermediate sources	-	-	-	-	-	-
State sources	-	-	23,245	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	36,225	-
<b>Total receipts</b>	<u>-</u>	<u>-</u>	<u>23,245</u>	<u>-</u>	<u>36,225</u>	<u>991</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	-	-	37,840	-	129,474	719
Community services	-	-	-	-	-	271
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>-</u>	<u>37,840</u>	<u>-</u>	<u>129,474</u>	<u>990</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>-</u>	<u>-</u>	<u>(14,595)</u>	<u>-</u>	<u>(93,249)</u>	<u>1</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(12)	(67)	-	(19)	-	-
<b>Total other financing sources (uses)</b>	<u>(12)</u>	<u>(67)</u>	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(12)</u>	<u>(67)</u>	<u>(14,595)</u>	<u>(19)</u>	<u>(93,249)</u>	<u>1</u>
<b>Cash and investments - beginning</b>	<u>12</u>	<u>66</u>	<u>24,444</u>	<u>19</u>	<u>94,180</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 9,849</u>	<u>\$ -</u>	<u>\$ 931</u>	<u>\$ 1</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ (1)	\$ 9,849	\$ -	\$ 931	\$ 1
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 9,849</u>	<u>\$ -</u>	<u>\$ 931</u>	<u>\$ 1</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(1)	9,849	-	931	1
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 9,849</u>	<u>\$ -</u>	<u>\$ 931</u>	<u>\$ 1</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title I	Title VI	Title V Part A	Learn and America Grant	Special Education	Title IV
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	114,584	-	2,170	-	272,325	3,767
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>114,584</b>	<b>-</b>	<b>2,170</b>	<b>-</b>	<b>272,325</b>	<b>3,767</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	104,559	-	-	-	210,123	950
Support services	22,042	-	4,382	-	41,662	3,405
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>126,601</b>	<b>-</b>	<b>4,382</b>	<b>-</b>	<b>251,785</b>	<b>4,355</b>
Excess (deficiency) of receipts over disbursements	(12,017)	-	(2,212)	-	20,540	(588)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(80)	-	-	(16,604)	(473)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(80)</b>	<b>-</b>	<b>-</b>	<b>(16,604)</b>	<b>(473)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,017)	(80)	(2,212)	-	3,936	(1,061)
Cash and investments - beginning	15,174	80	2,155	208	(3,935)	1,062
Cash and investments - ending	<u>\$ 3,157</u>	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ 208</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,157	\$ -	\$ (57)	\$ 208	\$ 1	\$ 1
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 3,157</u>	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ 208</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,157	-	(57)	208	1	1
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,157</u>	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ 208</u>	<u>\$ 1</u>	<u>\$ 1</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Medicaid Reimbursement Federal	National Science Foundation	Federal Hurricane Education	Class Size Reduction	Title II Part A
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	7,095	130	4,500	-	35,641
Sale of property, adjustments and refunds	-	-	-	-	432
<b>Total receipts</b>	<u>7,095</u>	<u>130</u>	<u>4,500</u>	<u>-</u>	<u>36,073</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	10,262	-	13,500	18,247	-
Support services	-	-	-	-	16,591
Community services	-	-	-	-	-
Nonprogrammed charges	693	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>10,955</u>	<u>-</u>	<u>13,500</u>	<u>18,247</u>	<u>16,591</u>
Excess (deficiency) of receipts over disbursements	<u>(3,860)</u>	<u>130</u>	<u>(9,000)</u>	<u>(18,247)</u>	<u>19,482</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	18,100	875
Transfers out	-	-	-	-	(18,168)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,100</u>	<u>(17,293)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,860)</u>	<u>130</u>	<u>(9,000)</u>	<u>(147)</u>	<u>2,189</u>
Cash and investments - beginning	<u>4,024</u>	<u>-</u>	<u>9,000</u>	<u>13,574</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 164</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 13,427</u>	<u>\$ 2,188</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 164	\$ 130	\$ -	\$ 13,427	\$ 2,188
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 164</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 13,427</u>	<u>\$ 2,188</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>164</u>	<u>130</u>	<u>-</u>	<u>13,427</u>	<u>2,188</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 164</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 13,427</u>	<u>\$ 2,188</u>



NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title II Part D	Library Grant	Retirement Debt Service	Construction Fund	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ 239,182	\$ -	\$ 1,201,284
Intermediate sources	-	-	-	-	6,016
State sources	-	-	-	-	137,958
Federal sources	-	7,295	-	-	542,189
Sale of property, adjustments and refunds	-	-	-	-	39,322
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total receipts</b>	<u>-</u>	<u>7,295</u>	<u>239,182</u>	<u>-</u>	<u>1,926,769</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	494,857
Support services	-	3,295	-	-	1,166,737
Community services	-	-	-	-	1,271
Nonprogrammed charges	-	-	-	-	31,706
Debt services	-	-	237,050	-	237,050
	<u>-</u>	<u>-</u>	<u>237,050</u>	<u>-</u>	<u>237,050</u>
<b>Total disbursements</b>	<u>-</u>	<u>3,295</u>	<u>237,050</u>	<u>-</u>	<u>1,931,621</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>4,000</u>	<u>2,132</u>	<u>-</u>	<u>(4,852)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	19,994
Transfers out	(776)	(4,000)	(2,201)	(2,465)	(67,318)
	<u>(776)</u>	<u>(4,000)</u>	<u>(2,201)</u>	<u>(2,465)</u>	<u>(47,324)</u>
<b>Total other financing sources (uses)</b>	<u>(776)</u>	<u>(4,000)</u>	<u>(2,201)</u>	<u>(2,465)</u>	<u>(47,324)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(776)</u>	<u>-</u>	<u>(69)</u>	<u>(2,465)</u>	<u>(52,176)</u>
Cash and investments - beginning	<u>776</u>	<u>-</u>	<u>1</u>	<u>2,465</u>	<u>459,098</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68)</u>	<u>\$ -</u>	<u>\$ 406,922</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 406,990
Restricted assets:					
Cash and investments	-	-	(68)	-	(68)
	<u>-</u>	<u>-</u>	<u>(68)</u>	<u>-</u>	<u>(68)</u>
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68)</u>	<u>\$ -</u>	<u>\$ 406,922</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ (68)	\$ -	\$ (68)
Unrestricted	-	-	-	-	406,990
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,990</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68)</u>	<u>\$ -</u>	<u>\$ 406,922</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2006

	Donation Fund	Gift of Property	Extra-Curricular Workers TWMS	Extra-Curricular Workers TWHS	Scholarships and Awards	Dynamic Steel Donations	Donations PES
Cash and investments - July 1	\$ 635	\$ 83,712	\$ -	\$ -	\$ 2,805	\$ 3,239	\$ 651
Receipts:							
Receipts from local sources	1,190	-	489	6,575	10,416	-	395
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Transfer accounts	230	-	-	-	-	-	-
Total receipts	<u>1,420</u>	<u>-</u>	<u>489</u>	<u>6,575</u>	<u>10,416</u>	<u>-</u>	<u>395</u>
Disbursements:							
Instruction	1,203	2,150	451	6,081	-	1,475	261
Support services	-	9,536	38	494	-	1,500	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	6,050	150	-
Total disbursements	<u>1,203</u>	<u>11,686</u>	<u>489</u>	<u>6,575</u>	<u>6,050</u>	<u>3,125</u>	<u>261</u>
Excess (deficiency) of total receipts over total disbursements	<u>217</u>	<u>(11,686)</u>	<u>-</u>	<u>-</u>	<u>4,366</u>	<u>(3,125)</u>	<u>134</u>
Cash and investments - June 30	<u>\$ 853</u>	<u>\$ 72,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,171</u>	<u>\$ 114</u>	<u>\$ 785</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2006  
 (Continued)

	One Room Schoolhouse	Academic Decathlon	Lilly Science Outreach	Lilly Science Outreach	Lilly Science Grant	Capco Science	Totals
Cash and investments - July 1	\$ 4,786	\$ 4,022	\$ 225	\$ 60	\$ -	\$ 501	\$ 100,636
Receipts:							
Receipts from local sources	12,354	1,400	-	-	750	750	34,319
Sale of property, adjustments and refunds	-	250	-	-	-	-	250
Transfer accounts	-	501	27	-	12	49	819
Total receipts	<u>12,354</u>	<u>2,151</u>	<u>27</u>	<u>-</u>	<u>762</u>	<u>799</u>	<u>35,388</u>
Disbursements:							
Instruction	-	4,779	252	-	762	549	17,963
Support services	1,741	-	-	-	-	-	13,309
Community services	6,373	-	-	-	-	-	6,373
Nonprogrammed charges	-	-	-	49	-	501	6,750
Total disbursements	<u>8,114</u>	<u>4,779</u>	<u>252</u>	<u>49</u>	<u>762</u>	<u>1,050</u>	<u>44,395</u>
Excess (deficiency) of total receipts over total disbursements	<u>4,240</u>	<u>(2,628)</u>	<u>(225)</u>	<u>(49)</u>	<u>-</u>	<u>(251)</u>	<u>(9,007)</u>
Cash and investments - June 30	<u>\$ 9,026</u>	<u>\$ 1,394</u>	<u>\$ (0)</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 91,630</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2007

	Donation Fund	Gift of Property	Extra- Curricular Account Fund	Extra-Curricular Workers TWMS	Extra-Curricular Workers TWHS	Scholarships and Awards	Dynamic Steel Donations
Cash and investments - July 1	\$ 853	\$ 72,026	\$ -	\$ -	\$ -	\$ 7,171	\$ 114
Receipts:							
Receipts from local sources	1,471	-	5,000	936	6,932	6,993	25,000
Transfer accounts	-	-	-	-	-	-	288
Total receipts	<u>1,471</u>	<u>-</u>	<u>5,000</u>	<u>936</u>	<u>6,932</u>	<u>6,993</u>	<u>25,288</u>
Disbursements:							
Instruction	1,873	-	5,000	865	6,374	-	1,331
Support services	-	42,506	-	71	523	-	-
Community services	-	100	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	6,175	250
Total disbursements	<u>1,873</u>	<u>42,606</u>	<u>5,000</u>	<u>936</u>	<u>6,897</u>	<u>6,175</u>	<u>1,581</u>
Excess (deficiency) of total receipts over total disbursements	<u>(402)</u>	<u>(42,606)</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>818</u>	<u>23,707</u>
Cash and investments - June 30	<u>\$ 451</u>	<u>\$ 29,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 7,989</u>	<u>\$ 23,821</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2007  
 (Continued)

	Donations PES	One Room Schoolhouse	Academic Decathlon	Lilly Science Outreach	Lilly Science Grant	Capco Science	Totals
Cash and investments - July 1	\$ 785	\$ 9,026	\$ 1,394	\$ 11	\$ -	\$ 250	\$ 91,630
Receipts:							
Receipts from local sources	150	11,200	100	500	250	-	58,532
Transfer accounts	-	-	-	-	-	-	288
Total receipts	150	11,200	100	500	250	-	58,820
Disbursements:							
Instruction	26	-	690	550	240	-	16,949
Support services	-	1,278	-	-	-	-	44,378
Community services	-	5,331	-	-	-	-	5,431
Nonprogrammed charges	-	-	-	-	-	-	6,425
Total disbursements	26	6,609	690	550	240	-	73,183
Excess (deficiency) of total receipts over total disbursements	124	4,591	(590)	(50)	10	-	(14,363)
Cash and investments - June 30	\$ 909	\$ 13,617	\$ 804	\$ (39)	\$ 10	\$ 250	\$ 77,267

NORTH WEST HENDRICKS SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Computers	\$ 28,218	\$ 29,643
Middle school	17,192,090	1,387,500
Pittsboro elementary school	3,198,343	408,000
2004 Ford 550	5,276	5,276
Computers	122,091	45,242
Computers	160,000	86,970
Notes and loans payable	1,028,364	-
Bonds payable:		
General obligation bonds:		
School building	325,000	229,553
Buyout of postemployment benefits	2,185,000	237,494
<b>Total governmental activities debt</b>	<b>\$ 24,244,382</b>	<b>\$ 2,429,678</b>

NORTH WEST HENDRICKS SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not adequately itemized.
- (2) All claims did not have board approval.
- (3) Claims or invoices did not have evidence to support receipt of goods or services.

Indiana Code 5-11-10-1.6 states in part:

(b) "As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services."

(c) "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

NORTH WEST HENDRICKS SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

CAPITAL ASSET RECORDS

The School Corporation policy is to capitalize assets which cost more than \$5,000. Assets with a cost of less than \$5,000 have not been removed from the inventory capital assets.

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

RETIREMENT/SEVERANCE BUYOUT

The School Corporation eliminated the retirement/severance plan and postemployment benefit plan on June 30, 2004. All teachers employed by the School Corporation as of June 30, 2004, received a buyout by means of a contribution to either a 401(a) account or a VEBA account or both. The buyout was funded by the issuance of General Obligation Pension Bonds of 2004.

Indiana Code 20-48-1-2 (c) (3) states: "The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)



SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the North West Hendricks School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
(Continued)

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the School Corporation's management, School Board of Trustees and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 29, 2008

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition cluster				
School Breakfast Program	10.553		\$ 19,230	\$ -
SY05-06			-	23,869
SY06-07			-	-
Total for program			19,230	23,869
National School Lunch Program				
SY05-06	10.555		106,154	-
SY06-07			-	157,220
Total for program			106,154	157,220
Total for cluster			125,384	181,089
Total for federal grantor agency			125,384	181,089
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Pass-Through Indiana State Library				
State Library Program	45.310		4,388	7,295
Total for federal grantor agency			4,388	7,295
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agency				
05-3295	84.010		15,675	-
06-3295			49,909	15,174
07-3295			-	111,427
Total for program			65,584	126,601
Safe and Drug Free Schools and Communities - State Grants				
04-000	84.186		3,271	-
05-007			2,361	2,317
3295-06			-	2,515
Total for program			5,632	4,832
State Grants for Innovative Programs				
04-000	84.298		3,508	-
05-013			1,685	2,455
06-3295			-	1,927
Total for program			5,193	4,382
Education Technology State Grants				
2005	84.318		500	-
2006			1,342	-
Total for program			1,842	-
Improving Teacher Quality State Grants				
04-000	84.367		11,160	-
05-015			26,173	7,468
06-3295			-	27,291
Total for program			37,333	34,759
Pass-Through Community Schools of Frankfort				
Special Education Cluster				
Special Education - Grants to States	84.027		247,132	-
2006			-	251,731
2007			-	-
Total for program			247,132	251,731
Total for federal grantor agency			362,716	422,305
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004		460	-
Total for federal grantor agency			460	-
Total federal awards expended			\$ 492,948	\$ 610,689

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

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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the North West Hendricks School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2005-2006</u>	<u>2006-2007</u>
National School Lunch Program	10.555	\$ 2,378	\$ 7,503
School Breakfast Program	10.553	13,097	49,579

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Special Education Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NORTH WEST HENDRICKS SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 19, 2007, with Dr. Leo Philbin, Superintendent of Schools; Pat J. Willard, Treasurer; and Jean Blakely, Deputy Treasurer. The officials concurred with our audit findings.