

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

EXAMINATION REPORT
OF
NORTHWESTERN SCHOOL CORPORATION
HOWARD COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
02/12/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cami J. McLeland	07-01-07 to 06-30-10
Superintendent of Schools	Ryan Snoddy	07-01-07 to 06-30-10
President of the School Board	Lois Hartman Howard Eller Stephen Long	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTHWESTERN SCHOOL
CORPORATION, HOWARD COUNTY, INDIANA

We have examined the financial information presented herein of the Northwestern School Corporation (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 3, 2009

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<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	\$ 7,684,733	\$ -	\$ 121,849	\$ (7,562,884)
Support services	5,809,848	545,107	92,591	(5,172,150)
Noninstructional services	644,344	-	-	(644,344)
Facilities acquisition and construction	948,737	-	-	(948,737)
Debt service	2,561,878	-	-	(2,561,878)
Nonprogrammed charges	<u>131,962</u>	<u>-</u>	<u>-</u>	<u>(131,962)</u>
Total governmental activities	<u>\$ 17,781,502</u>	<u>\$ 545,107</u>	<u>\$ 214,440</u>	<u>(17,021,955)</u>
General receipts:				
Property taxes				6,648,285
Other local sources				1,413,906
State aid				3,992,129
Bonds and loans				2,000,000
Grants and contributions not restricted to specific programs				314,075
Sale of property				582
Investment earnings				61,639
Other				<u>850</u>
Total general receipts				<u>14,431,466</u>
Change in net assets				(2,590,489)
Net assets - beginning				<u>3,662,379</u>
Net assets - ending				<u>\$ 1,071,890</u>
<u>Assets</u>				
Cash and investments				\$ 773,482
Restricted assets:				
Cash and investments				<u>298,408</u>
Total assets				<u>\$ 1,071,890</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 283,342
Other purposes				15,066
Unrestricted				<u>773,482</u>
Total net assets				<u>\$ 1,071,890</u>

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,391,659	\$ -	\$ 173,762	\$ (7,217,897)
Support services	6,326,774	589,366	129,676	(5,607,732)
Noninstructional services	693,574	-	-	(693,574)
Facilities acquisition and construction	1,347,715	-	-	(1,347,715)
Debt service	4,097,257	-	-	(4,097,257)
Nonprogrammed charges	114,239	-	-	(114,239)
Total governmental activities	<u>\$ 19,971,218</u>	<u>\$ 589,366</u>	<u>\$ 303,438</u>	<u>(19,078,414)</u>
General receipts:				
Property taxes				10,175,090
Other local sources				1,210,148
State aid				5,943,132
Grants and contributions not restricted to specific programs				1,207,928
Sale of property				4,539
Investment earnings				19,478
Other				870
Total general receipts				<u>18,561,185</u>
Change in net assets				(517,229)
Net assets - beginning				<u>1,071,890</u>
Net assets - ending				<u>\$ 554,661</u>
<u>Assets</u>				
Cash and investments				\$ 243,140
Restricted assets:				
Cash and investments				<u>311,521</u>
Total assets				<u>\$ 554,661</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 296,455
Other purposes				15,066
Unrestricted				<u>243,140</u>
Total net assets				<u>\$ 554,661</u>

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE 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, 2008

	General	Special Education Preschool	Rainy Day	School Lunch	Title I	Fiscal Stabilization
Receipts:						
Local sources	\$ 4,211,371	\$ 12,375	\$ -	\$ 450,633	\$ -	\$ -
Intermediate sources	57	-	-	-	-	-
State sources	4,078,001	40,906	-	6,472	-	-
Federal sources	-	-	-	67,981	125,648	-
Temporary loans	2,000,000	-	-	-	-	-
Other	100	-	-	750	-	-
Total receipts	10,289,529	53,281	-	525,836	125,648	-
Disbursements:						
Current:						
Instruction	7,343,489	60,628	-	12,057	112,392	-
Support services	2,837,327	-	-	2,745	4,148	-
Noninstructional services	144,466	-	-	499,878	-	-
Facilities acquisition and construction	-	-	25,824	-	-	-
Debt services	500,000	-	-	-	-	-
Nonprogrammed charges	128,820	-	-	-	-	-
Total disbursements	10,954,102	60,628	25,824	514,680	116,540	-
Excess (deficiency) of receipts over disbursements	(664,573)	(7,347)	(25,824)	11,156	9,108	-
Other financing sources (uses):						
Sale of capital assets	582	-	-	-	-	-
Transfers in	-	-	-	-	45,007	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	582	-	-	-	45,007	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(663,991)	(7,347)	(25,824)	11,156	54,115	-
Cash and investments - beginning	893,035	66,170	240,833	75,997	-	-
Cash and investments - ending	<u>\$ 229,044</u>	<u>\$ 58,823</u>	<u>\$ 215,009</u>	<u>\$ 87,153</u>	<u>\$ 54,115</u>	<u>\$ -</u>

Amounts reported for governmental activities in the Schedule of Cash Activities and Net Assets - Cash and Investment Basis are different because:
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.

Net assets of governmental activities

Cash and Investment Assets - Ending

Cash and investments	\$ 229,044	\$ 58,823	\$ 215,009	\$ 87,153	\$ 54,115	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 229,044	\$ 58,823	\$ 215,009	\$ 87,153	\$ 54,115	\$ -

Cash and Investment Fund Balance - Ending

Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	229,044	58,823	215,009	87,153	54,115	-
Total cash and investment fund balance - ending	\$ 229,044	\$ 58,823	\$ 215,009	\$ 87,153	\$ 54,115	\$ -

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE 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, 2008
(Continued)

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>School Bus Replacement</u>	<u>Other</u>	<u>Totals</u>
Receipts:					
Local sources	\$ 1,235,055	\$ 1,660,953	\$ 61,032	\$ 1,037,459	\$ 8,668,878
Intermediate sources	-	-	-	-	57
State sources	-	-	-	112,336	4,237,715
Federal sources	-	-	-	89,302	282,931
Temporary loans	-	-	-	-	2,000,000
Other	-	-	-	-	850
Total receipts	<u>1,235,055</u>	<u>1,660,953</u>	<u>61,032</u>	<u>1,239,097</u>	<u>15,190,431</u>
Disbursements:					
Current:					
Instruction	-	-	-	156,167	7,684,733
Support services	-	1,554,330	106,572	1,304,726	5,809,848
Noninstructional services	-	-	-	-	644,344
Facilities acquisition and construction	-	922,913	-	-	948,737
Debt services	1,897,226	-	-	164,652	2,561,878
Nonprogrammed charges	-	-	-	-	128,820
Total disbursements	<u>1,897,226</u>	<u>2,477,243</u>	<u>106,572</u>	<u>1,625,545</u>	<u>17,778,360</u>
Excess (deficiency) of receipts over disbursements	<u>(662,171)</u>	<u>(816,290)</u>	<u>(45,540)</u>	<u>(386,448)</u>	<u>(2,587,929)</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	582
Transfers in	-	3,000	-	-	48,007
Transfers out	-	-	-	(48,007)	(48,007)
Total other financing sources (uses)	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>(48,007)</u>	<u>582</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(662,171)</u>	<u>(813,290)</u>	<u>(45,540)</u>	<u>(434,455)</u>	<u>(2,587,347)</u>
Cash and investments - beginning	<u>999,701</u>	<u>1,159,959</u>	<u>172,038</u>	<u>36,438</u>	<u>3,644,171</u>
Cash and investments - ending	<u>\$ 337,530</u>	<u>\$ 346,669</u>	<u>\$ 126,498</u>	<u>\$ (398,017)</u>	<u>1,056,824</u>
Amounts reported for governmental activities in the Schedule of Cash Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.					
					<u>15,066</u>
Net assets of governmental activities					<u>\$ 1,071,890</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 346,669	\$ 126,498	\$ (343,829)	\$ 773,482
Restricted assets:					
Cash and investments	<u>337,530</u>	<u>-</u>	<u>-</u>	<u>(54,188)</u>	<u>283,342</u>
Total cash and investment assets - ending	<u>\$ 337,530</u>	<u>\$ 346,669</u>	<u>\$ 126,498</u>	<u>\$ (398,017)</u>	<u>\$ 1,056,824</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ 337,530	\$ -	\$ -	\$ (54,188)	\$ 283,342
Unrestricted	<u>-</u>	<u>346,669</u>	<u>126,498</u>	<u>(343,829)</u>	<u>773,482</u>
Total cash and investment fund balance - ending	<u>\$ 337,530</u>	<u>\$ 346,669</u>	<u>\$ 126,498</u>	<u>\$ (398,017)</u>	<u>\$ 1,056,824</u>

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE 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, 2009

	General	Special Education Preschool	Rainy Day	School Lunch	Title I	Fiscal Stabilization
Receipts:						
Local sources	\$ 5,497,462	\$ 15,541	\$ -	\$ 468,036	\$ -	\$ -
Intermediate sources	57	-	-	-	-	-
State sources	6,082,613	47,978	-	6,703	-	-
Federal sources	-	-	-	128,777	235,926	824,050
Other	100	-	-	770	-	-
Total receipts	11,580,232	63,519	-	604,286	235,926	824,050
Disbursements:						
Current:						
Instruction	7,003,583	57,048	-	22,655	217,966	-
Support services	3,438,058	-	-	3,283	3,017	-
Noninstructional services	143,497	-	-	549,588	489	-
Facilities acquisition and construction	-	-	27,108	-	-	-
Debt services	2,000,000	-	-	-	-	-
Nonprogrammed charges	114,239	-	-	-	-	-
Total disbursements	12,699,377	57,048	27,108	575,526	221,472	-
Excess (deficiency) of receipts over disbursements	(1,119,145)	6,471	(27,108)	28,760	14,454	824,050
Other financing sources (uses):						
Sale of capital assets	4,539	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,114,606)	6,471	(27,108)	28,760	14,454	824,050
Cash and investments - beginning	229,044	58,823	215,009	87,153	54,115	-
Cash and investments - ending	\$ (885,562)	\$ 65,294	\$ 187,901	\$ 115,913	\$ 68,569	\$ 824,050

Amounts reported for governmental activities in the Schedule of Cash Activities and Net Assets - Cash and Investment Basis are different because:
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.

Net assets of governmental activities

Cash and Investment Assets - Ending

Cash and investments	\$ (885,562)	\$ 65,294	\$ 187,901	\$ 115,913	\$ 68,569	\$ 824,050
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (885,562)	\$ 65,294	\$ 187,901	\$ 115,913	\$ 68,569	\$ 824,050

Cash and Investment Fund Balance - Ending

Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(885,562)	65,294	187,901	115,913	68,569	824,050
Total cash and investment fund balance - ending	\$ (885,562)	\$ 65,294	\$ 187,901	\$ 115,913	\$ 68,569	\$ 824,050

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE 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, 2009
(Continued)

	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:					
Local sources	\$ 1,944,811	\$ 2,455,054	\$ 90,020	\$ 1,484,194	\$ 11,955,118
Intermediate sources	-	-	-	15,300	15,357
State sources	-	-	-	57,737	6,195,031
Federal sources	-	-	-	94,321	1,283,074
Other	-	-	-	-	870
Total receipts	1,944,811	2,455,054	90,020	1,651,552	19,449,450
Disbursements:					
Current:					
Instruction	-	-	-	90,407	7,391,659
Support services	-	1,442,587	115,330	1,324,499	6,326,774
Noninstructional services	-	-	-	-	693,574
Facilities acquisition and construction	-	1,305,607	-	15,000	1,347,715
Debt services	2,011,060	-	-	86,197	4,097,257
Nonprogrammed charges	-	-	-	-	114,239
Total disbursements	2,011,060	2,748,194	115,330	1,516,103	19,971,218
Excess (deficiency) of receipts over disbursements	(66,249)	(293,140)	(25,310)	135,449	(521,768)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	4,539
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(66,249)	(293,140)	(25,310)	135,449	(517,229)
Cash and investments - beginning	337,530	346,669	126,498	(398,017)	1,056,824
Cash and investments - ending	<u>\$ 271,281</u>	<u>\$ 53,529</u>	<u>\$ 101,188</u>	<u>\$ (262,568)</u>	539,595
Amounts reported for governmental activities in the Schedule of Cash Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.					
					15,066
Net assets of governmental activities					<u>\$ 554,661</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 53,529	\$ 101,188	\$ (287,742)	\$ 243,140
Restricted assets:					
Cash and investments	271,281	-	-	25,174	296,455
Total cash and investment assets - ending	\$ 271,281	\$ 53,529	\$ 101,188	\$ (262,568)	\$ 539,595
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ 271,281	\$ -	\$ -	\$ 25,174	\$ 296,455
Unrestricted	-	53,529	101,188	(287,742)	243,140
Total cash and investment fund balance - ending	\$ 271,281	\$ 53,529	\$ 101,188	\$ (262,568)	\$ 539,595

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ -
Operating disbursements:	
Insurance claims and expense	<u>3,142</u>
Deficiency of operating receipts over operating disbursements	(3,142)
Cash and investment fund balance - beginning	<u>18,208</u>
Cash and investment fund balance - ending	<u><u>\$ 15,066</u></u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 15,066</u></u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 15,066</u></u>

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	Internal Service Fund
Operating receipts:	
Charges for services	\$ -
Operating disbursements:	
Insurance claims and expense	-
Excess (deficiency) of operating receipts over operating disbursements	-
Cash and investment fund balance - beginning	15,066
Cash and investment fund balance - ending	\$ 15,066
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 15,066
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 15,066

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 1,700	
Deductions:		
Administrative and general	1,633	
Excess (deficiency) of total additions over total deductions	67	
Cash and investment fund balance - beginning	3,805	
Cash and investment fund balance - ending	\$ 3,872	\$ 55,355
Net assets:		
Cash and investments	\$ 3,872	
Total net assets - cash and investment basis held in trust	\$ 3,872	

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ <u> -</u>	
Deductions:		
Benefits	<u> -</u>	
Excess (deficiency) of total additions over total deductions	-	
Cash and investment fund balance - beginning	<u> 3,872</u>	
Cash and investment fund balance - ending	<u>\$ 3,872</u>	<u>\$ 79,786</u>
Net assets:		
Cash and investments	<u>\$ 3,872</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 3,872</u>	

The accompanying notes are an integral part of the financial information.

NORTHWESTERN SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

The Schedule of Activities and Net Assets - Cash and Investments 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.

Fund Financial Schedules

Fund financial schedules 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 schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules.

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 special education pre-school fund accounts for funds to provide specialized educational services to pre-school age children.

The rainy day fund accounts for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

The school lunch fund accounts for receipts and disbursements related to the food service program.

The title I fund accounts for federal monies used to improve the teaching and learning for at risk children.

NORTHWESTERN SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Fiscal stabilization-education (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

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 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 internal service fund accounts for monies remaining in the now defunct self-insurance fund.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school corporation's children.

Agency funds account for assets held by the School Corporation as an agent for various payroll withholding entities and serve as a control of accounts for certain transactions during the time they are a liability to the school corporation.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial schedules 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.

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 schedules.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund schedules to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting

NORTHWESTERN SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

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.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and 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).

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NORTHWESTERN SCHOOL CORPORATION
 NOTES TO FINANCIAL INFORMATION
 (Continued)

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007-2008</u>	<u>2008-2009</u>
Other governmental funds	Title I	\$ 45,007	\$ -
Other governmental funds	Capital Projects	<u>3,000</u>	<u>-</u>
Totals		<u>\$ 48,007</u>	<u>\$ -</u>

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

Note 7. 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 this 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 members' 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. That 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 the plan members for PERF are established by the Board of Trustees of PERF.

NORTHWESTERN SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

B. 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 members' 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 Cost

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

NORTHWESTERN 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)
07-01-06	\$ 1,870,988	\$ 2,160,651	\$ (289,663)	87%	\$ 1,410,899	(21%)
07-01-07	2,048,181	2,229,341	(181,160)	92%	1,407,425	(13%)
07-01-08	2,207,316	2,419,870	(212,554)	91%	1,485,036	(14%)

NORTHWESTERN 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, 2008

	Transportation Operating	Textbook Rental	Levy Excess	Educational License Plates	Gifted and Talented	Indiana Arts Commission	Science Award
Receipts:							
Local sources	\$ 814,665	\$ 109,682	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	18,138	-	-	32,483	900	-
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>814,665</u>	<u>127,820</u>	<u>-</u>	<u>-</u>	<u>32,483</u>	<u>900</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	32,483	-	-
Support services	1,150,536	97,138	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>1,150,536</u>	<u>97,138</u>	<u>-</u>	<u>-</u>	<u>32,483</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(335,871)</u>	<u>30,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900</u>	<u>-</u>
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(335,871)</u>	<u>30,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900</u>	<u>-</u>
Cash and investments - beginning	<u>37,213</u>	<u>(170,467)</u>	<u>51,308</u>	<u>94</u>	<u>1,526</u>	<u>-</u>	<u>12</u>
Cash and investments - ending	<u><u>\$ (298,658)</u></u>	<u><u>\$ (139,785)</u></u>	<u><u>\$ 51,308</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ 1,526</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 12</u></u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (298,658)	\$ (139,785)	\$ 51,308	\$ 94	\$ 1,526	\$ 900	\$ 12
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u><u>\$ (298,658)</u></u>	<u><u>\$ (139,785)</u></u>	<u><u>\$ 51,308</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ 1,526</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 12</u></u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(298,658)</u>	<u>(139,785)</u>	<u>51,308</u>	<u>94</u>	<u>1,526</u>	<u>900</u>	<u>12</u>
Total cash and investment fund balance - ending	<u><u>\$ (298,658)</u></u>	<u><u>\$ (139,785)</u></u>	<u><u>\$ 51,308</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ 1,526</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 12</u></u>

NORTHWESTERN 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, 2008
 (Continued)

	Non-English Speaking Program	School Technology	Emergency Impact Aid	Mentor Teacher	Safe Haven Grant	Title I FY 09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	2,595	58,220	-	-	-	-
Federal sources	-	-	-	-	-	88,170
Total receipts	2,595	58,220	-	-	-	88,170
Disbursements:						
Current:						
Instruction	-	-	-	-	-	115,500
Support services	-	36,223	-	2,640	5,976	2,080
Debt services	-	-	-	-	-	-
Total disbursements	-	36,223	-	2,640	5,976	117,580
Excess (deficiency) of receipts over disbursements	2,595	21,997	-	(2,640)	(5,976)	(29,410)
Other financing sources (uses):						
Transfers out	-	-	-	-	-	(45,007)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,595	21,997	-	(2,640)	(5,976)	(74,417)
Cash and investments - beginning	2,591	1,203	7,500	2,815	6,013	74,417
Cash and investments - ending	<u>\$ 5,186</u>	<u>\$ 23,200</u>	<u>\$ 7,500</u>	<u>\$ 175</u>	<u>\$ 37</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,186	\$ 23,200	\$ 7,500	\$ 175	\$ 37	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 5,186	\$ 23,200	\$ 7,500	\$ 175	\$ 37	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,186	23,200	7,500	175	37	-
Total cash and investment fund balance - ending	\$ 5,186	\$ 23,200	\$ 7,500	\$ 175	\$ 37	\$ -

NORTHWESTERN 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, 2008
 (Continued)

	Innovative Education	Improving Teacher Quality	Enhancing Education	Limited English	Retirement Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 113,112	\$ 1,037,459
State sources	-	-	-	-	-	112,336
Federal sources	-	-	-	1,132	-	89,302
Total receipts	-	-	-	1,132	113,112	1,239,097
Disbursements:						
Current:						
Instruction	-	4,644	-	3,540	-	156,167
Support services	1,441	6,864	1,828	-	-	1,304,726
Debt services	-	-	-	-	164,652	164,652
Total disbursements	1,441	11,508	1,828	3,540	164,652	1,625,545
Excess (deficiency) of receipts over disbursements	(1,441)	(11,508)	(1,828)	(2,408)	(51,540)	(386,448)
Other financing sources (uses):						
Transfers out	-	-	-	-	(3,000)	(48,007)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,441)	(11,508)	(1,828)	(2,408)	(54,540)	(434,455)
Cash and investments - beginning	1,441	17,004	2,748	668	352	36,438
Cash and investments - ending	<u>\$ -</u>	<u>\$ 5,496</u>	<u>\$ 920</u>	<u>\$ (1,740)</u>	<u>\$ (54,188)</u>	<u>\$ (398,017)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 5,496	\$ 920	\$ (1,740)	\$ -	\$ (343,829)
Restricted assets:						
Cash and investments	-	-	-	-	(54,188)	(54,188)
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 5,496</u>	<u>\$ 920</u>	<u>\$ (1,740)</u>	<u>\$ (54,188)</u>	<u>\$ (398,017)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (54,188)	\$ (54,188)
Unrestricted	-	5,496	920	(1,740)	-	(343,829)
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 5,496</u>	<u>\$ 920</u>	<u>\$ (1,740)</u>	<u>\$ (54,188)</u>	<u>\$ (398,017)</u>

NORTHWESTERN 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, 2009

	Transportation Operating	Textbook Rental	Levy Excess	Educational License Plates	Gifted and Talented	Indiana Arts Commission	Science Award
Receipts:							
Local sources	\$ 1,209,640	\$ 108,995	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	17,802	-	-	32,483	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>1,209,640</u>	<u>126,797</u>	<u>-</u>	<u>-</u>	<u>32,483</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	32,440	-	-
Support services	1,154,547	143,026	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>1,154,547</u>	<u>143,026</u>	<u>-</u>	<u>-</u>	<u>32,440</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>55,093</u>	<u>(16,229)</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>(298,658)</u>	<u>(139,785)</u>	<u>51,308</u>	<u>94</u>	<u>1,526</u>	<u>900</u>	<u>12</u>
Cash and investments - ending	<u><u>\$ (243,565)</u></u>	<u><u>\$ (156,014)</u></u>	<u><u>\$ 51,308</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ 1,569</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 12</u></u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (243,565)	\$ (156,014)	\$ 51,308	\$ 94	\$ 1,569	\$ 900	\$ 12
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u><u>\$ (243,565)</u></u>	<u><u>\$ (156,014)</u></u>	<u><u>\$ 51,308</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ 1,569</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 12</u></u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(243,565)</u>	<u>(156,014)</u>	<u>51,308</u>	<u>94</u>	<u>1,569</u>	<u>900</u>	<u>12</u>
Total cash and investment fund balance - ending	<u><u>\$ (243,565)</u></u>	<u><u>\$ (156,014)</u></u>	<u><u>\$ 51,308</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ 1,569</u></u>	<u><u>\$ 900</u></u>	<u><u>\$ 12</u></u>

NORTHWESTERN 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, 2009
 (Continued)

	Non-English Speaking Program	School Technology	Technology Plan	Project Lead the Way	Emergency Impact Aid	Mentor Teacher	Safe Haven Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	300	15,000	-	-	-
State sources	1,799	5,653	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	1,799	5,653	300	15,000	-	-	-
Disbursements:							
Current:							
Instruction	-	-	78	-	-	-	-
Support services	-	24,239	-	-	-	-	37
Facilities acquisition and construction	-	-	-	15,000	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	24,239	78	15,000	-	-	37
Excess (deficiency) of receipts over disbursements	1,799	(18,586)	222	-	-	-	(37)
Cash and investments - beginning	5,186	23,200	-	-	7,500	175	37
Cash and investments - ending	<u>\$ 6,985</u>	<u>\$ 4,614</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ 175</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 6,985	\$ 4,614	\$ 222	\$ -	\$ 7,500	\$ 175	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,985	\$ 4,614	\$ 222	\$ -	\$ 7,500	\$ 175	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,985	4,614	222	-	7,500	175	-
Total cash and investment fund balance - ending	\$ 6,985	\$ 4,614	\$ 222	\$ -	\$ 7,500	\$ 175	\$ -

NORTHWESTERN 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, 2009
 (Continued)

	Innovative Education	DARE	Improving Teacher Quality	Enhancing Education	Limited English	Retirement Severance Bond	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,559	\$ 1,484,194
Intermediate sources	-	-	-	-	-	-	15,300
State sources	-	-	-	-	-	-	57,737
Federal sources	4,211	8,215	79,579	-	2,316	-	94,321
Total receipts	4,211	8,215	79,579	-	2,316	165,559	1,651,552
Disbursements:							
Current:							
Instruction	-	-	55,625	-	2,264	-	90,407
Support services	-	-	2,650	-	-	-	1,324,499
Facilities acquisition and construction	-	-	-	-	-	-	15,000
Debt services	-	-	-	-	-	86,197	86,197
Total disbursements	-	-	58,275	-	2,264	86,197	1,516,103
Excess (deficiency) of receipts over disbursements	4,211	8,215	21,304	-	52	79,362	135,449
Cash and investments - beginning	-	-	5,496	920	(1,740)	(54,188)	(398,017)
Cash and investments - ending	<u>4,211</u>	<u>8,215</u>	<u>26,800</u>	<u>920</u>	<u>(1,688)</u>	<u>25,174</u>	<u>(262,568)</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,211	\$ 8,215	\$ 26,800	\$ 920	\$ (1,688)	\$ -	\$ (287,742)
Restricted assets:							
Cash and investments	-	-	-	-	-	25,174	25,174
Total cash and investment assets - ending	<u>4,211</u>	<u>8,215</u>	<u>26,800</u>	<u>920</u>	<u>(1,688)</u>	<u>25,174</u>	<u>(262,568)</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,174	\$ 25,174
Unrestricted	4,211	8,215	26,800	920	(1,688)	-	(287,742)
Total cash and investment fund balance - ending	<u>4,211</u>	<u>8,215</u>	<u>26,800</u>	<u>920</u>	<u>(1,688)</u>	<u>25,174</u>	<u>(262,568)</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	<u>Fine Arts</u>	<u>Indiana Next Leadership</u>	<u>I Love To Read Award</u>	<u>Howard Elementary Library</u>	<u>Northwestern Fine Arts</u>	<u>Totals</u>
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 500	\$ 1,200	\$ 1,700
Deductions:						
Administrative and general	-	-	-	500	1,133	1,633
Excess of total additions over total deductions	-	-	-	-	67	67
Cash and investment fund balance - beginning	<u>1,000</u>	<u>2,513</u>	<u>292</u>	-	-	<u>3,805</u>
Cash and investments - June 30	<u>\$ 1,000</u>	<u>\$ 2,513</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 3,872</u>
Net assets:						
Cash and investments	\$ 1,000	\$ 2,513	\$ 292	\$ -	\$ 67	\$ 3,872
Total net assets - cash and investment basis held in trust	<u>\$ 1,000</u>	<u>\$ 2,513</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 3,872</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Fine Arts</u>	<u>Indiana Next Leadership</u>	<u>I Love To Read Award</u>	<u>Northwestern Fine Arts</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:					
Administrative and general	-	-	-	-	-
Excess (deficiency) of total additions over total deductions	-	-	-	-	-
Cash and investment fund balance - beginning	<u>1,000</u>	<u>2,513</u>	<u>292</u>	<u>67</u>	<u>3,872</u>
Cash and investments - June 30	<u>\$ 1,000</u>	<u>\$ 2,513</u>	<u>\$ 292</u>	<u>\$ 67</u>	<u>\$ 3,872</u>
Net assets:					
Cash and investments	<u>\$ 1,000</u>	<u>\$ 2,513</u>	<u>\$ 292</u>	<u>\$ 67</u>	<u>\$ 3,872</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,000</u>	<u>\$ 2,513</u>	<u>\$ 292</u>	<u>\$ 67</u>	<u>\$ 3,872</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	<u>Federal Withholding</u>	<u>Teachers FICA</u>	<u>Non-Teachers FICA</u>	<u>State Tax Withholding</u>	<u>County Tax Withholding</u>	<u>Teachers Retirement</u>	<u>Insurance Retirees</u>
Additions:							
Agency fund additions	\$ 803,818	\$ 464,825	\$ 157,270	\$ 263,288	\$ 77,977	\$ 1,676	\$ 30,493
Deductions:							
Agency fund deductions	<u>803,818</u>	<u>464,825</u>	<u>157,274</u>	<u>252,059</u>	<u>73,585</u>	<u>2,520</u>	<u>43,463</u>
Excess (deficiency) of total additions over total deductions	-	-	(4)	11,229	4,392	(844)	(12,970)
Cash and investment fund balance - beginning	<u>-</u>	<u>842</u>	<u>-</u>	<u>19,984</u>	<u>5,279</u>	<u>894</u>	<u>1,419</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 842</u>	<u>\$ (4)</u>	<u>\$ 31,213</u>	<u>\$ 9,671</u>	<u>\$ 50</u>	<u>\$ (11,551)</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	<u>Tax-Sheltered Annuities</u>	<u>TRF Voluntary Contributions</u>	<u>Garnishment</u>	<u>Extra Retirement</u>	<u>Section 125 Insurance Deductions</u>	<u>Section 125 Medical Expenses</u>	<u>Section 125 Dependent Expenses</u>
Additions:							
Agency fund additions	\$ 399,310	\$ 6,282	\$ 883	\$ 1,143	\$ 181,689	\$ 33,347	\$ 13,330
Deductions:							
Agency fund deductions	399,310	6,969	883	1,143	167,895	33,013	13,309
Excess (deficiency) of total additions over total deductions	-	(687)	-	-	13,794	334	21
Cash and investment fund balance - beginning	-	2,031	-	264	(10,889)	16,872	2,285
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,344</u>	<u>\$ -</u>	<u>\$ 264</u>	<u>\$ 2,905</u>	<u>\$ 17,206</u>	<u>\$ 2,306</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Section 125 Administrative Costs	Textbook Rental Fees	Garnishment Property Tax	United Way	Credit Union	ISTA Dues	Totals
Additions:							
Agency fund additions	\$ 1,262	\$ 149	\$ 1,138	\$ 1,606	\$ 941,536	\$ 33,532	\$ 3,414,554
Deductions:							
Agency fund deductions	1,436	149	1,138	1,606	941,536	33,532	3,399,463
Excess (deficiency) of total additions over total deductions	(174)	-	-	-	-	-	15,091
Cash and investment fund balance - beginning	1,283	-	-	-	-	-	40,264
Cash and investment fund balance - ending	<u>\$ 1,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,355</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Federal Withholding</u>	<u>Teachers FICA</u>	<u>Non-Teachers FICA</u>	<u>State Tax Withholding</u>	<u>County Tax Withholding</u>	<u>Teachers Retirement</u>
Additions:						
Agency fund additions	<u>\$ 819,551</u>	<u>\$ 477,534</u>	<u>\$ 163,683</u>	<u>\$ 274,636</u>	<u>\$ 96,739</u>	<u>\$ 2,474</u>
Deductions:						
Agency fund deductions	<u>819,541</u>	<u>477,534</u>	<u>163,683</u>	<u>274,346</u>	<u>94,307</u>	<u>1,926</u>
Excess (deficiency) of total additions over total deductions	10	-	-	290	2,432	548
Cash and investment fund balance - beginning	<u>-</u>	<u>842</u>	<u>(4)</u>	<u>31,213</u>	<u>9,671</u>	<u>50</u>
Cash and investment fund balance - ending	<u>\$ 10</u>	<u>\$ 842</u>	<u>\$ (4)</u>	<u>\$ 31,503</u>	<u>\$ 12,103</u>	<u>\$ 598</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Insurance Retirees	Tax-Sheltered Annuities	TRF Voluntary Contributions	Garnishment	Extra Retirement	Section 125 Insurance Deductions
Additions:						
Agency fund additions	\$ 60,498	\$ 349,405	\$ 5,824	\$ 3,019	\$ 1,143	\$ 405
Deductions:						
Agency fund deductions	42,035	317,611	31,794	5,824	3,019	1,143
Excess (deficiency) of total additions over total deductions	18,463	31,794	(25,970)	(2,805)	(1,876)	(738)
Cash and investment fund balance - beginning	(11,551)	-	1,344	-	264	2,905
Cash and investment fund balance - ending	<u>\$ 6,912</u>	<u>\$ 31,794</u>	<u>\$ (24,626)</u>	<u>\$ (2,805)</u>	<u>\$ (1,612)</u>	<u>\$ 2,167</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Section 125 Medical Expenses</u>	<u>Section 125 Dependent Expenses</u>	<u>Section 125 Administrative Costs</u>	<u>Cash Tuition</u>	<u>Textbook Rental Fees</u>
Additions:					
Agency fund additions	<u>\$ 212,195</u>	<u>\$ 11,970</u>	<u>\$ 1,026</u>	<u>\$ 502</u>	<u>\$ -</u>
Deductions:					
Agency fund deductions	<u>405</u>	<u>196,775</u>	<u>21,981</u>	<u>3,243</u>	<u>1,006</u>
Excess (deficiency) of total additions over total deductions	211,790	(184,805)	(20,955)	(2,741)	(1,006)
Cash and investment fund balance - beginning	<u>17,206</u>	<u>2,306</u>	<u>1,109</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 228,996</u>	<u>\$ (182,499)</u>	<u>\$ (19,846)</u>	<u>\$ (2,741)</u>	<u>\$ (1,006)</u>

NORTHWESTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Garnishment Property Tax	United Way	Credit Union	ISTA Dues	Totals
Additions:					
Agency fund additions	\$ 717	\$ 1,892	\$ 914,150	\$ 30,149	\$ 3,427,512
Deductions:					
Agency fund deductions	717	1,892	914,150	30,149	3,403,081
Excess (deficiency) of total additions over total deductions	-	-	-	-	24,431
Cash and investment fund balance - beginning	-	-	-	-	55,355
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,786</u>

NORTHWESTERN SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 22,610
Buildings	37,611,259
Improvements other than buildings	1,294,566
Machinery and equipment	<u>2,081,852</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 41,010,287</u>

NORTHWESTERN SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

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:		
1996 Northwestern High School Building	\$ 435,000	\$ 457,000
2005 Northwestern Building Corporation	19,105,000	1,590,000
Bonds payable:		
General obligation bonds:		
Retirement/Severance Bond	<u>1,585,000</u>	<u>169,648</u>
Total governmental activities debt	<u>\$ 21,125,000</u>	<u>\$ 2,216,648</u>

NORTHWESTERN SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditure in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2008	<u>\$ 275,358.80</u>

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

OVERDRAWN FUND BALANCES

The Transportation, Textbook Rental, Limited English and Retirement Severance Bonds Funds were overdrawn for 2007-2008. Additionally, the General, Transportation, Textbook Rental, and Limited English Funds were overdrawn for 2008-2009.

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

NORTHWESTERN SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2009, with Ryan Snoddy, Superintendent of Schools; and Cami J. McLeland, Treasurer. The officials concurred with our findings.