

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

NORTH SPENCER COUNTY SCHOOL CORPORATION  
SPENCER COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
02/11/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Virlee E. Huffman Heather A. Harbottle	07-01-12 to 06-30-14 07-01-14 to 06-30-15
Superintendent of Schools	Daniel R. Scherry	07-01-12 to 06-30-15
President of the School Board	Anna L. Oxley L. Elaine Daubenspeck	01-01-12 to 12-31-14 01-01-15 to 12-31-15



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTH SPENCER COUNTY SCHOOL CORPORATION, SPENCER COUNTY, INDIANA

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the North Spencer County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is November 5, 2015, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

March 3, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is November 5, 2015



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE NORTH SPENCER COUNTY SCHOOL  
CORPORATION, SPENCER COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the North Spencer County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated March 3, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is November 5, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weaknesses.

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

***Compliance and Other Matters***


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

***North Spencer County School Corporation's Response to Findings***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

March 3, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is November 5, 2015

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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NORTH SPENCER COUNTY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 1,578,949	\$ 11,676,768	\$ 11,505,558	\$ 10,162	\$ 1,760,321	\$ 11,746,146	\$ 11,011,095	\$ 13,739	\$ 2,509,111
Debt Service	1,235,173	1,876,191	1,968,195	-	1,143,169	2,045,850	1,982,866	-	1,206,153
Retirement/Severance Bond Debt Service	156,285	278,432	285,364	-	149,353	293,236	287,916	-	154,673
Capital Projects	907,437	2,146,254	1,440,436	1,150,000	2,763,255	2,280,410	1,530,825	(1,500,000)	2,012,840
School Transportation	444,687	1,367,472	1,081,528	3,800	734,431	1,415,204	1,149,964	-	999,671
School Bus Replacement	262,013	276,255	231,778	-	306,490	285,464	84,173	-	507,781
Rainy Day	3,312,617	9	1,812,735	200,000	1,699,891	-	537,871	1,500,000	2,662,020
Construction	-	-	148,533	1,897,216	1,748,683	-	409,326	-	1,339,357
School Lunch	589,742	1,108,926	1,013,950	-	684,718	1,061,039	1,033,705	-	712,052
Textbook Rental	182,619	219,246	182,993	-	218,872	221,811	130,722	-	309,961
Self-Insurance	173,849	3,073,989	2,353,613	-	894,225	2,271,372	2,511,764	-	653,833
Educational License Plates	2,409	338	170	-	2,577	188	-	-	2,765
Safe Haven 2011/2012	(11,989)	11,989	-	-	-	-	-	-	-
Safe Haven 2012/2013	-	20,599	24,500	-	(3,901)	3,901	-	-	-
Safe Haven 2013/20114	-	-	-	-	-	7,760	14,758	-	(6,998)
HHMS After School Program	5,675	1,100	1,634	(3,800)	1,341	8,350	3,637	-	6,054
High Performance Culture Grant	4,512	-	4,512	-	-	-	-	-	-
Community Foundation Grant	1,642	8,592	3,609	-	6,625	9,110	9,095	-	6,640
Marilyn Klenck/Reading Fun	-	7,200	7,200	-	-	-	-	-	-
Trust/ISTA Section 125	4,266	30	-	-	4,296	-	-	-	4,296
Welborn/Comm Transformation Grant	-	7,550	7,550	-	-	6,553	6,553	-	-
Heroes - Chrisney Elementary 2013/2014	-	-	-	-	-	17,500	13,370	-	4,130
Heroes - David Turnham 2013/2014	-	-	-	-	-	17,500	11,991	-	5,509
S.I.N.E. for Ace Academy	1,813	1,251	2,375	-	689	1,871	2,560	-	-
Vision Athena Grant Award	9,159	-	-	-	9,159	-	-	-	9,159
High Ability Grant 2011/2012	3,617	-	3,617	-	-	-	-	-	-
High Ability Grant 2012/2013	-	32,667	30,308	-	2,359	-	2,359	-	-
High Ability Grant 2013/2014	-	-	-	-	-	32,142	20,513	-	11,629
Non-English Speaking Programs P.L. 273-1999 2012/2013	132	6,693	6,825	-	-	5,907	5,141	-	766
Connectivity	13,152	6,927	-	-	20,079	6,924	-	-	27,003
2013 Classroom E-Learn	-	12,000	22,522	-	(10,522)	13,902	3,380	-	-
Performance Based Awards	-	-	-	-	-	184,500	184,500	-	-
Tobacco Grant 2011/2013	5,448	29,425	29,954	-	4,919	18,146	26,231	-	(3,166)
Intelenet Commission	1,995	-	100	-	1,895	-	-	-	1,895
Title I 2011/2012	(11,107)	16,288	5,181	-	-	-	-	-	-
Title I 2012/2013	-	188,737	207,751	-	(19,014)	20,523	1,509	-	-
Title I 2013/2014	-	-	-	-	-	163,768	173,053	-	(9,285)
Special Education Improvement Grant	-	70,000	70,000	-	-	-	-	-	-
Special Education Improvement Grant 2013	-	-	65,525	-	(65,525)	69,716	4,191	-	-
Medicaid Reimbursement - Federal	97,263	31,802	5,062	(10,162)	113,841	56,518	48,100	(13,739)	108,520
Improving Teaching Quality, No Child Left, Title II, Part A 2011/2012	(6,317)	25,242	18,925	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A 2012/2013	-	50,812	62,475	-	(11,663)	13,567	1,904	-	-
Improving Teaching Quality, No Child Left, Title II, Part A 2013/2014	-	-	-	-	-	36,166	40,618	-	(4,452)
Title III 2012/2013	-	5,326	10,139	-	(4,813)	4,813	-	-	-
Title III 2013/2014	-	-	-	-	-	7,002	6,845	-	157
Education Jobs	-	8,070	8,070	-	-	-	-	-	-
Payroll Withholdings Fund	19,399	4,254,696	4,274,374	-	(279)	4,065,216	4,071,339	-	(6,402)
<b>Totals</b>	<b>\$ 8,984,440</b>	<b>\$ 26,820,876</b>	<b>\$ 26,897,061</b>	<b>\$ 3,247,216</b>	<b>\$ 12,155,471</b>	<b>\$ 26,392,075</b>	<b>\$ 25,321,874</b>	<b>\$ -</b>	<b>\$ 13,225,672</b>

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

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

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plan**

*A. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

*B. Additional Pension Plans*

The School Corporation also contributes to additional pension plans for the noncertified employees unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the Indiana Department of Education requiring that these grant funds be spent prior to being reimbursed. These grant funds were expected to have negative balances because of the manner in which the grants are administered. The reimbursements for the expenditures made by the School Corporation were not received by June 30.

**Note 8. Restatements**

For the year ended June 30, 2013, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2012	Prior Period Adjustment	Balance as of July 1, 2012
Payroll Withholdings Fund	\$ -	\$ 19,399	\$ 19,399

**Note 9. Holding Corporations**

The School Corporation has entered into a capital lease with the North Spencer County Elementary School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$857,413 and \$858,025, respectively. This lease was paid in full in January 2014.

The School Corporation has entered into a capital lease with the North Spencer County Middle School (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$982,000 and \$1,441,400 respectively.

#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 1,578,949	\$ 1,235,173	\$ 156,285	\$ 907,437	\$ 444,687	\$ 262,013	\$ 3,312,617	\$ -
Receipts:								
Local sources	57,204	1,876,191	278,432	2,146,254	1,367,472	276,255	9	-
Intermediate sources	557	-	-	-	-	-	-	-
State sources	11,619,007	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	<u>11,676,768</u>	<u>1,876,191</u>	<u>278,432</u>	<u>2,146,254</u>	<u>1,367,472</u>	<u>276,255</u>	<u>9</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	8,195,868	-	-	-	-	-	-	83,213
Support services	3,018,273	-	-	709,631	1,081,528	231,778	1,812,735	30
Noninstructional services	291,417	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	730,805	-	-	-	65,290
Debt services	-	1,968,195	285,364	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>11,505,558</u>	<u>1,968,195</u>	<u>285,364</u>	<u>1,440,436</u>	<u>1,081,528</u>	<u>231,778</u>	<u>1,812,735</u>	<u>148,533</u>
Excess (deficiency) of receipts over disbursements	<u>171,210</u>	<u>(92,004)</u>	<u>(6,932)</u>	<u>705,818</u>	<u>285,944</u>	<u>44,477</u>	<u>(1,812,726)</u>	<u>(148,533)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	1,350,000	-	-	-	1,897,216
Transfers in	10,162	-	-	-	3,800	-	200,000	-
Transfers out	-	-	-	(200,000)	-	-	-	-
Total other financing sources (uses)	<u>10,162</u>	<u>-</u>	<u>-</u>	<u>1,150,000</u>	<u>3,800</u>	<u>-</u>	<u>200,000</u>	<u>1,897,216</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>181,372</u>	<u>(92,004)</u>	<u>(6,932)</u>	<u>1,855,818</u>	<u>289,744</u>	<u>44,477</u>	<u>(1,612,726)</u>	<u>1,748,683</u>
Cash and investments - ending	<u>\$ 1,760,321</u>	<u>\$ 1,143,169</u>	<u>\$ 149,353</u>	<u>\$ 2,763,255</u>	<u>\$ 734,431</u>	<u>\$ 306,490</u>	<u>\$ 1,699,891</u>	<u>\$ 1,748,683</u>

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

	School Lunch	Textbook Rental	Self- Insurance	Educational License Plates	Safe Haven 2011/2012	Safe Haven 2012/2013	Safe Haven 2013/2014	HHMS After School Program
Cash and investments - beginning	\$ 589,742	\$ 182,619	\$ 173,849	\$ 2,409	\$ (11,989)	\$ -	\$ -	\$ 5,675
Receipts:								
Local sources	692,040	177,053	3,073,989	-	-	-	-	1,100
Intermediate sources	-	-	-	338	-	-	-	-
State sources	243,535	42,193	-	-	11,989	20,599	-	-
Federal sources	173,351	-	-	-	-	-	-	-
Total receipts	1,108,926	219,246	3,073,989	338	11,989	20,599	-	1,100
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	1,634
Support services	-	182,993	-	170	-	-	-	-
Noninstructional services	1,013,950	-	-	-	-	24,500	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,353,613	-	-	-	-	-
Total disbursements	1,013,950	182,993	2,353,613	170	-	24,500	-	1,634
Excess (deficiency) of receipts over disbursements	94,976	36,253	720,376	168	11,989	(3,901)	-	(534)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(3,800)
Total other financing sources (uses)	-	-	-	-	-	-	-	(3,800)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	94,976	36,253	720,376	168	11,989	(3,901)	-	(4,334)
Cash and investments - ending	\$ 684,718	\$ 218,872	\$ 894,225	\$ 2,577	\$ -	\$ (3,901)	\$ -	\$ 1,341

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

	High Performance Culture Grant	Community Foundation Grant	Marilyn Klenck/ Reading Fun	Trust/ISTA Section 125	Welborn/Comm Transformation Grant	Heroes - Chrisney Elementary 2013/2014	Heroes - David Turnham 2013/2014	S.I.N.E. for Ace Academy
Cash and investments - beginning	\$ 4,512	\$ 1,642	\$ -	\$ 4,266	\$ -	\$ -	\$ -	\$ 1,813
Receipts:								
Local sources	-	8,592	7,200	30	7,550	-	-	1,251
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	-	8,592	7,200	30	7,550	-	-	1,251
Disbursements:								
Current:								
Instruction	-	3,609	7,200	-	-	-	-	2,375
Support services	4,512	-	-	-	7,550	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	4,512	3,609	7,200	-	7,550	-	-	2,375
Excess (deficiency) of receipts over disbursements	(4,512)	4,983	-	30	-	-	-	(1,124)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,512)	4,983	-	30	-	-	-	(1,124)
Cash and investments - ending	\$ -	\$ 6,625	\$ -	\$ 4,296	\$ -	\$ -	\$ -	\$ 689

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

	Vision Athena Grant Award	High Ability Grant 2011/2012	High Ability Grant 2012/2013	High Ability Grant 2013/2014	Non-English Speaking Programs P.L. 273-1999 2012/2013	Connectivity	2013 Classroom E-Learn	Performance Based Awards
Cash and investments - beginning	\$ 9,159	\$ 3,617	\$ -	\$ -	\$ 132	\$ 13,152	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	32,667	-	6,693	6,927	12,000	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	-	-	32,667	-	6,693	6,927	12,000	-
Disbursements:								
Current:								
Instruction	-	3,617	30,308	-	6,825	-	22,522	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	3,617	30,308	-	6,825	-	22,522	-
Excess (deficiency) of receipts over disbursements	-	(3,617)	2,359	-	(132)	6,927	(10,522)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,617)	2,359	-	(132)	6,927	(10,522)	-
Cash and investments - ending	\$ 9,159	\$ -	\$ 2,359	\$ -	\$ -	\$ 20,079	\$ (10,522)	\$ -

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

	Tobacco Grant 2011/2013	Intelenet Commission	Title I 2011/2012	Title I 2012/2013	Title I 2013/2014	Special Education Improvement Grant	Special Education Improvement Grant 2013	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 5,448	\$ 1,995	\$ (11,107)	\$ -	\$ -	\$ -	\$ -	\$ 97,263
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	29,425	-	-	-	-	-	-	-
Federal sources	-	-	16,288	188,737	-	70,000	-	31,802
Total receipts	29,425	-	16,288	188,737	-	70,000	-	31,802
Disbursements:								
Current:								
Instruction	-	-	4,644	204,124	-	70,000	65,525	-
Support services	-	-	537	2,775	-	-	-	5,062
Noninstructional services	29,954	-	-	852	-	-	-	-
Facilities acquisition and construction	-	100	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	29,954	100	5,181	207,751	-	70,000	65,525	5,062
Excess (deficiency) of receipts over disbursements	(529)	(100)	11,107	(19,014)	-	-	(65,525)	26,740
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(10,162)
Total other financing sources (uses)	-	-	-	-	-	-	-	(10,162)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(529)	(100)	11,107	(19,014)	-	-	(65,525)	16,578
Cash and investments - ending	\$ 4,919	\$ 1,895	\$ -	\$ (19,014)	\$ -	\$ -	\$ (65,525)	\$ 113,841

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

	Improving Teaching Quality, No Child Left, Title II, Part A 2011/2012	Improving Teaching Quality, No Child Left, Title II, Part A 2012/2013	Improving Teaching Quality, No Child Left, Title II, Part A 2013/2014	Title III 2012/2013	Title III 2013/2014	Education Jobs	Payroll Withholdings Fund	Totals
Cash and investments - beginning	\$ (6,317)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,399	\$ 8,984,440
Receipts:								
Local sources	-	-	-	-	-	-	-	9,970,622
Intermediate sources	-	-	-	-	-	-	-	895
State sources	-	-	-	-	-	-	-	12,025,035
Federal sources	25,242	50,812	-	5,326	-	8,070	4,254,696	4,824,324
Total receipts	25,242	50,812	-	5,326	-	8,070	4,254,696	26,820,876
Disbursements:								
Current:								
Instruction	11,585	32,976	-	10,139	-	8,070	-	8,764,234
Support services	7,340	29,499	-	-	-	-	-	7,094,413
Noninstructional services	-	-	-	-	-	-	-	1,360,673
Facilities acquisition and construction	-	-	-	-	-	-	-	796,195
Debt services	-	-	-	-	-	-	-	2,253,559
Nonprogrammed charges	-	-	-	-	-	-	4,274,374	6,627,987
Total disbursements	18,925	62,475	-	10,139	-	8,070	4,274,374	26,897,061
Excess (deficiency) of receipts over disbursements	6,317	(11,663)	-	(4,813)	-	-	(19,678)	(76,185)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	3,247,216
Transfers in	-	-	-	-	-	-	-	213,962
Transfers out	-	-	-	-	-	-	-	(213,962)
Total other financing sources (uses)	-	-	-	-	-	-	-	3,247,216
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,317	(11,663)	-	(4,813)	-	-	(19,678)	3,171,031
Cash and investments - ending	\$ -	\$ (11,663)	\$ -	\$ (4,813)	\$ -	\$ -	\$ (279)	\$ 12,155,471

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance/ Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 1,760,321	\$ 1,143,169	\$ 149,353	\$ 2,763,255	\$ 734,431	\$ 306,490	\$ 1,699,891	\$ 1,748,683
Receipts:								
Local sources	242,415	2,045,850	293,236	2,280,410	1,415,204	285,464	-	-
Intermediate sources	557	-	-	-	-	-	-	-
State sources	11,503,174	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	<u>11,746,146</u>	<u>2,045,850</u>	<u>293,236</u>	<u>2,280,410</u>	<u>1,415,204</u>	<u>285,464</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	7,737,459	-	-	-	-	-	-	406,621
Support services	2,977,468	-	-	582,342	1,149,677	84,173	108,955	-
Noninstructional services	296,168	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	948,483	287	-	516	2,705
Debt services	-	1,982,866	287,916	-	-	-	428,400	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>11,011,095</u>	<u>1,982,866</u>	<u>287,916</u>	<u>1,530,825</u>	<u>1,149,964</u>	<u>84,173</u>	<u>537,871</u>	<u>409,326</u>
Excess (deficiency) of receipts over disbursements	<u>735,051</u>	<u>62,984</u>	<u>5,320</u>	<u>749,585</u>	<u>265,240</u>	<u>201,291</u>	<u>(537,871)</u>	<u>(409,326)</u>
Other financing sources (uses):								
Transfers in	13,739	-	-	-	-	-	1,500,000	-
Transfers out	-	-	-	(1,500,000)	-	-	-	-
Total other financing sources (uses)	<u>13,739</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>748,790</u>	<u>62,984</u>	<u>5,320</u>	<u>(750,415)</u>	<u>265,240</u>	<u>201,291</u>	<u>962,129</u>	<u>(409,326)</u>
Cash and investments - ending	<u>\$ 2,509,111</u>	<u>\$ 1,206,153</u>	<u>\$ 154,673</u>	<u>\$ 2,012,840</u>	<u>\$ 999,671</u>	<u>\$ 507,781</u>	<u>\$ 2,662,020</u>	<u>\$ 1,339,357</u>

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Educational License Plates	Safe Haven 2011/2012	Safe Haven 2012/2013	Safe Haven 2013/2014	HHMS After School Program
Cash and investments - beginning	\$ 684,718	\$ 218,872	\$ 894,225	\$ 2,577	\$ -	\$ (3,901)	\$ -	\$ 1,341
Receipts:								
Local sources	668,589	180,702	2,271,372	-	-	-	-	8,350
Intermediate sources	-	-	-	188	-	-	-	-
State sources	16,270	41,109	-	-	-	3,901	7,760	-
Federal sources	376,180	-	-	-	-	-	-	-
Total receipts	<u>1,061,039</u>	<u>221,811</u>	<u>2,271,372</u>	<u>188</u>	<u>-</u>	<u>3,901</u>	<u>7,760</u>	<u>8,350</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	3,637
Support services	-	130,722	-	-	-	-	-	-
Noninstructional services	1,033,705	-	-	-	-	-	14,758	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,511,764	-	-	-	-	-
Total disbursements	<u>1,033,705</u>	<u>130,722</u>	<u>2,511,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,758</u>	<u>3,637</u>
Excess (deficiency) of receipts over disbursements	<u>27,334</u>	<u>91,089</u>	<u>(240,392)</u>	<u>188</u>	<u>-</u>	<u>3,901</u>	<u>(6,998)</u>	<u>4,713</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>27,334</u>	<u>91,089</u>	<u>(240,392)</u>	<u>188</u>	<u>-</u>	<u>3,901</u>	<u>(6,998)</u>	<u>4,713</u>
Cash and investments - ending	<u>\$ 712,052</u>	<u>\$ 309,961</u>	<u>\$ 653,833</u>	<u>\$ 2,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,998)</u>	<u>\$ 6,054</u>

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	High Performance Culture Grant	Community Foundation Grant	Marilyn Klenck/ Reading Fun	Trust/ISTA Section 125	Welborn/Comm Transformation Grant	Heroes - Chrisney Elementary 2013/2014	Heroes - David Turnham 2013/2014	S.I.N.E. for Ace Academy
Cash and investments - beginning	\$ -	\$ 6,625	\$ -	\$ 4,296	\$ -	\$ -	\$ -	\$ 689
Receipts:								
Local sources	-	9,110	-	-	6,553	17,500	17,500	1,871
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total receipts	-	9,110	-	-	6,553	17,500	17,500	1,871
Disbursements:								
Current:								
Instruction	-	9,095	-	-	-	6,174	4,170	2,560
Support services	-	-	-	-	6,553	7,196	7,821	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	9,095	-	-	6,553	13,370	11,991	2,560
Excess (deficiency) of receipts over disbursements	-	15	-	-	-	4,130	5,509	(689)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	15	-	-	-	4,130	5,509	(689)
Cash and investments - ending	\$ -	\$ 6,640	\$ -	\$ 4,296	\$ -	\$ 4,130	\$ 5,509	\$ -

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Vision Athena Grant Award	High Ability Grant 2011/2012	High Ability Grant 2012/2013	High Ability Grant 2013/2014	Non-English Speaking Programs P.L. 273-1999 2012/2013	Connectivity	2013 Classroom E-Learn	Performance Based Awards
Cash and investments - beginning	\$ 9,159	\$ -	\$ 2,359	\$ -	\$ -	\$ 20,079	\$ (10,522)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	32,142	5,907	6,924	13,902	184,500
Federal sources	-	-	-	-	-	-	-	-
Total receipts	-	-	-	32,142	5,907	6,924	13,902	184,500
Disbursements:								
Current:								
Instruction	-	-	2,359	20,513	5,141	-	3,380	-
Support services	-	-	-	-	-	-	-	184,500
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	2,359	20,513	5,141	-	3,380	184,500
Excess (deficiency) of receipts over disbursements	-	-	(2,359)	11,629	766	6,924	10,522	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,359)	11,629	766	6,924	10,522	-
Cash and investments - ending	\$ 9,159	\$ -	\$ -	\$ 11,629	\$ 766	\$ 27,003	\$ -	\$ -

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Tobacco Grant 2011/2013	Intelenet Commission	Title I 2011/2012	Title I 2012/2013	Title I 2013/2014	Special Education Improvement Grant	Special Education Improvement Grant 2013	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 4,919	\$ 1,895	\$ -	\$ (19,014)	\$ -	\$ -	\$ (65,525)	\$ 113,841
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	18,146	-	-	-	-	-	-	-
Federal sources	-	-	-	20,523	163,768	-	69,716	56,518
Total receipts	18,146	-	-	20,523	163,768	-	69,716	56,518
Disbursements:								
Current:								
Instruction	-	-	-	1,509	167,931	-	4,191	-
Support services	-	-	-	-	4,434	-	-	48,100
Noninstructional services	26,231	-	-	-	688	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	26,231	-	-	1,509	173,053	-	4,191	48,100
Excess (deficiency) of receipts over disbursements	(8,085)	-	-	19,014	(9,285)	-	65,525	8,418
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(13,739)
Total other financing sources (uses)	-	-	-	-	-	-	-	(13,739)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,085)	-	-	19,014	(9,285)	-	65,525	(5,321)
Cash and investments - ending	\$ (3,166)	\$ 1,895	\$ -	\$ -	\$ (9,285)	\$ -	\$ -	\$ 108,520

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A 2011/2012	Improving Teaching Quality, No Child Left, Title II, Part A 2012/2013	Improving Teaching Quality, No Child Left, Title II, Part A 2013/2014	Title III 2012/2013	Title III 2013/2014	Education Jobs	Payroll Withholdings Fund	Totals
Cash and investments - beginning	\$ -	\$ (11,663)	\$ -	\$ (4,813)	\$ -	\$ -	\$ (279)	\$ 12,155,471
Receipts:								
Local sources	-	-	-	-	-	-	-	9,744,126
Intermediate sources	-	-	-	-	-	-	-	745
State sources	-	-	-	-	-	-	-	11,833,735
Federal sources	-	13,567	36,166	4,813	7,002	-	4,065,216	4,813,469
Total receipts	-	13,567	36,166	4,813	7,002	-	4,065,216	26,392,075
Disbursements:								
Current:								
Instruction	-	-	-	-	6,845	-	-	8,381,585
Support services	-	1,904	40,618	-	-	-	-	5,334,463
Noninstructional services	-	-	-	-	-	-	-	1,371,550
Facilities acquisition and construction	-	-	-	-	-	-	-	951,991
Debt services	-	-	-	-	-	-	-	2,699,182
Nonprogrammed charges	-	-	-	-	-	-	4,071,339	6,583,103
Total disbursements	-	1,904	40,618	-	6,845	-	4,071,339	25,321,874
Excess (deficiency) of receipts over disbursements	-	11,663	(4,452)	4,813	157	-	(6,123)	1,070,201
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	1,513,739
Transfers out	-	-	-	-	-	-	-	(1,513,739)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	11,663	(4,452)	4,813	157	-	(6,123)	1,070,201
Cash and investments - ending	\$ -	\$ -	\$ (4,452)	\$ -	\$ 157	\$ -	\$ (6,402)	\$ 13,225,672

NORTH SPENCER COUNTY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 384,286</u>	<u>\$ 23,901</u>

NORTH SPENCER COUNTY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: North Spencer Co. Middle School Bldg. Corp.	Construction of Middle School	\$ 1,911,400	9/1/1998	1/15/2018
Total of annual lease payments		<u>\$ 1,911,400</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	School Severence 2013A Refunding	\$ 2,170,000	\$ 278,175
General obligation bonds	Ad Valorem Property Tax First Mortgage Bonds Series 2012/Middle School Renovation	1,895,000	36,200
General obligation bonds	High School Renovation 2012	1,900,000	329,525
Notes and loans payable	Common School Loan 1995/Elementary School Construction	<u>74,660</u>	<u>77,455</u>
Total governmental activities		<u>6,039,660</u>	<u>721,355</u>
Totals		<u>\$ 6,039,660</u>	<u>\$ 721,355</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE NORTH SPENCER COUNTY SCHOOL  
CORPORATION, SPENCER COUNTY, INDIANA

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

We have audited the North Spencer County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

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

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

***Other Matters***

This report replaces the previously issued Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance dated March 3, 2015. The Schedule of Expenditures of Federal Awards has been revised to correct a misstatement. This correction changed the determination of the major programs. The Special Education Cluster (IDEA) was also audited as a major program due to the change.

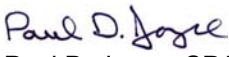
***Report on Internal Control Over Compliance***

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

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

March 3, 2015, except the Special Education Cluster (IDEA), as to which the date is November 5, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY 12/13	\$ 66,192	\$ -
			FY 13/14	-	64,713
				<u>66,192</u>	<u>64,713</u>
Total for program				<u>66,192</u>	<u>64,713</u>
National School Lunch Program					
	Indiana Department of Education	10.555			
			FY 12/13	384,081	-
			FY 13/14	-	387,976
				<u>384,081</u>	<u>387,976</u>
Total for program				<u>384,081</u>	<u>387,976</u>
Total - Child Nutrition Cluster				<u>450,273</u>	<u>452,689</u>
Total - Department of Agriculture				<u>450,273</u>	<u>452,689</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I 11/12			12-7385	16,288	-
Title I 12/13			13-7385	188,737	20,523
Title I 13/14			14-7385	-	163,768
				<u>205,025</u>	<u>184,291</u>
Total - Title I, Part A Cluster				<u>205,025</u>	<u>184,291</u>
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
Special Education Improvement Grant 2012			A58-3-13DL-0107	70,000	-
Special Education Improvement Grant 2013			A58-3-13DL-1415	-	69,716
FY 2012 Federal Part B 611			14212-011-PN01	193,935	-
FY 2013 Federal Part B 611			14213-011-PN01	205,122	193,824
FY 2014 Federal Part B 611			14214-011-PN01	-	201,610
Federal Technical Assistance Grants			99914-011-PN01	-	5,418
				<u>469,057</u>	<u>470,568</u>
Total - Special Education Grants to States				<u>469,057</u>	<u>470,568</u>
Special Education_Preschool Grants					
		84.173			
FY 2012 Federal Part B 619			45712-011-PN01	9,820	-
FY 2013 Federal Part B 619			45713-011-PN01	10,665	10,461
FY 2014 Federal Part B 619			45714-011-PN01	-	9,143
				<u>20,485</u>	<u>19,604</u>
Total - Special Education_Preschool Grants				<u>20,485</u>	<u>19,604</u>
Total - Special Education Cluster (IDEA)				<u>489,542</u>	<u>490,172</u>

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2013 and 2014  
 (Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
English Language Acquisition State Grants Title III 12/13	Indiana Department of Education	84.365	01113-080-PN01	5,326	4,813
Title III 13/14	Southwest Dubois School Corporation		FY 13/14	-	7,002
Total for program				<u>5,326</u>	<u>11,815</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II, Part A, Improving Teacher Quality State Grants (11/12)			12-7385	25,242	-
Title II, Part A, Improving Teacher Quality State Grants (12/13)			13-7385	50,812	13,567
Title II, Part A, Improving Teacher Quality State Grants (13/14)			14-7385	-	36,166
Classroom Innovation E Learning Program			A58-3-13IT-1187	-	13,902
Total for program				<u>76,054</u>	<u>63,635</u>
Education Jobs Fund	Indiana Department of Education	84.410	7385	8,070	-
Total - Department of Education				<u>784,017</u>	<u>749,913</u>
<u>Department of Health and Human Services</u>					
Medicaid Cluster	Indiana Department of Education	93.778			
Medical Assistance Program			FY 12/13	31,802	-
			FY 13/14	-	56,518
Total for Medicaid Cluster				<u>31,802</u>	<u>56,518</u>
Total federal awards expended				<u>\$ 1,266,092</u>	<u>\$ 1,259,120</u>

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2013</u>	<u>2014</u>
National School Lunch Program	10.55	<u>\$ 73,266</u>	<u>\$ 76,490</u>

**Note 3. The Exceptional Children's Cooperative**

The School Corporation is a member of The Exceptional Children's Cooperative. The Exceptional Children's Cooperative operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement.



NORTH SPENCER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the following errors: Incorrect program names, misstated program expenditures, incorrect or omitted pass-through entity identifying numbers, and two grants that were not included on the SEFA. Audit adjustments were proposed, accepted by the School, and made to the SEFA presented in this report.

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

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

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

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

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

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

NORTH SPENCER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

No matters are reportable.

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#### AUDITEE PREPARED DOCUMENTS

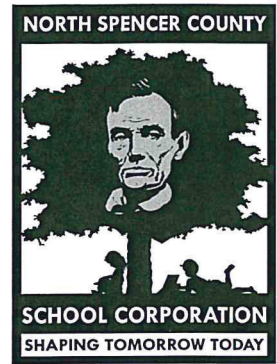
The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

# North Spencer County School Corporation

Shaping Tomorrow Today

Box 316, 3720 E SR 162  
Lincoln City, IN 47552

Phone: (812) 937-2400  
Fax: (812) 937-7187  
www.nspencer.k12.in.us



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDING

### **FINDING 2012-2, INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD NUTRITION CLUSTER**

**Original Assigned SBA Audit Report Number:** B41986

**Report Period:** July 1, 2012 to June 30, 2014

**Pass-Through Entity:** Indiana Department of Education

**Contact Person Responsible for Corrective Action:** Daniel R. Scherry, Superintendent

**Contact Phone Number:** 812-937-2400

**Status of Audit Finding:** Corrective Action Taken

  
(Signature)

Superintendent  
(Title)

February 18, 2015

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#### ADMINISTRATION

#### BOARD OF SCHOOL

Daniel R Scherry Superintendent	Angela Burch Dir of Learning & Assessment	Elaine Daubenspeck President	Annie Oxley Member	Clint Coleman Member
	Jennifer Jazyk Title I Literacy Coordinator	Lori Gogel Vice President	David Waninger Member	Brian Gehlhausen Member
Marc Schum Dir of Facilities & Transportation	Julie Kemp Dir of Prof Dev & Instruction	Don Detzer Secretary	Arthur Nordhoff School Attorney	

# North Spencer County School Corporation

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## CORRECTIVE ACTION PLAN

### FINDING 2014-001

Contact Person Responsible for Corrective Action: Daniel R. Scherry, Superintendent  
Contact Phone Number: 812-937-2400

### Description of Corrective Action Plan:

Inaccurate disclosure of grants on the schedule of Expenditures of Federal Awards (SEFA) was an oversight at the time of data entry for the Gateway Annual Reporting performed by previous Treasurer. With the employment of new, more technologically savvy, Treasurer expenditures related to federal grants included in the schedule will be verified for accuracy by the Treasurer and Deputy Treasurer, in subsequent years.

  
(Signature)

Superintendent  
(Title)

February 18, 2015

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#### ADMINISTRATION

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Marc Schum Dir of Facilities & Transportation	Julie Kemp Dir of Prof Dev & Instruction

Elaine Daubenspeck President	Annie Oxley Member	Clint Coleman Member
Lori Gogel Vice President	David Waninger Member	Brian Gehlhausen Member
Don Detzer Secretary	Arthur Nordhoff School Attorney	

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.