

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NINEVEH-HENSLEY-JACKSON UNITED
SCHOOL CORPORATION
JOHNSON COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/26/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra E. Carter	07-01-13 to 06-30-18
Superintendent of Schools	Dr. Mathew J. Prusiecki	07-01-13 to 08-27-13
	Dr. Rebecca Courtney-Knight (interim)	08-28-13 to 06-30-14
	Dr. Timothy Edsell	07-01-14 to 06-30-18
President of the School Board	Greg Waltz	07-01-13 to 12-31-13
	Kathy Vest	01-01-14 to 12-31-16
	Greg Waltz	01-01-17 to 12-31-17



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NINEVEH-HENSLEY-JACKSON UNITED
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Nineveh-Hensley-Jackson United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

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 from 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 to 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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

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 August 30, 2017, 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

August 30, 2017



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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 NINEVEH-HENSLEY-JACKSON UNITED
SCHOOL CORPORATION, JOHNSON 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 Nineveh-Hensley-Jackson United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 30, 2017, 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 a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

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 from 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 2015-001.

Nineveh-Hensley-Jackson United 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

August 30, 2017

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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.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13			Other Financing Sources (Uses)	Cash and Investments 06-30-14			Other Financing Sources (Uses)	Cash and Investments 06-30-15		
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements	
General	\$ 1,232,535	\$ 10,844,316	\$ 10,444,353	\$ -	\$ 1,632,498	\$ 10,874,289	\$ 10,695,492	\$ (335,000)	\$ 1,476,295		
Debt Service	1,399,095	2,515,912	2,588,159	-	1,326,848	2,101,019	2,530,515	-	897,352		
Retirement/Severance Bond Debt Service	117,874	199,269	202,271	-	114,872	200,951	199,225	-	116,598		
Capital Projects	457,066	1,267,292	1,257,209	(128,850)	338,299	1,267,263	1,014,583	-	590,979		
School Transportation	270,298	1,174,593	1,093,628	(50,000)	301,263	1,222,726	1,075,381	22,367	470,975		
School Bus Replacement	165,088	217,655	85,523	-	297,220	172,244	247,758	-	221,706		
Rainy Day	1,051,623	23,653	-	178,850	1,254,126	-	-	335,000	1,589,126		
Construction	77,013	35,785	112,798	-	-	-	-	-	-		
Construction Fund GO 2012 Bond	1,236,195	-	1,194,687	-	41,508	6,000	47,508	-	-		
Go Bond of 2014 ICES Addition	-	-	-	-	-	-	487,094	995,000	507,906		
Construction Fund New ICES	-	-	-	-	-	-	-	200,000	200,000		
School Lunch	220,078	1,419,424	1,255,696	-	383,806	1,352,632	1,280,558	-	455,880		
Textbook Rental	427,844	246,117	287,955	-	386,006	240,404	270,923	-	355,487		
Levy Excess	22,367	-	-	-	22,367	-	-	(22,367)	-		
Educational License Plates	1,450	186	-	-	1,636	131	-	-	1,767		
Alternative Education	-	2,981	5,330	-	(2,349)	11,095	8,746	-	-		
Early Intervention Grant 12/13	6,730	-	6,730	-	-	-	-	-	-		
Early Intervention 13/14	-	9,500	3,303	-	6,197	-	6,000	-	197		
Early Intervention Grant 2015	-	-	-	-	-	10,000	9,942	-	58		
Bryan Pitcher Gift Interest	7,458	21	-	-	7,479	3	-	-	7,482		
Education in Drugs Narcotics	-	200	198	-	2	-	-	-	-		
Greer Family Gift Interest	6,140	5,048	5,000	-	6,188	24	-	-	6,212		
McNeely Gift (8000)	8,000	-	-	-	8,000	-	-	-	8,000		
McNeely Gift (21500)	21,500	21,500	21,500	-	21,500	21,500	21,500	-	21,500		
McNeely Gift (26092)	26,092	26,092	26,092	-	26,092	26,092	26,092	-	26,092		
McNeely Gifts Usable Interest	12,511	5,043	5,998	-	11,556	4,882	6,000	-	10,438		
McNeely Gift/Hillyard Lyons	46,060	-	-	-	46,060	-	-	-	46,060		
NASA/Life Sciences Grant 10/12	32,370	-	3,770	-	28,600	-	-	-	28,600		
Fit City Grant 11/12 Healthy JC	3,000	-	3,000	-	-	-	-	-	-		

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Scholarships and Awards	36,377	-	36,377	-	-	-	-	-	-
Pepsi Donation	-	13,500	7,025	-	6,475	13,500	13,500	-	6,475
Kroger Donation ICIS Criterion	2,137	-	1,874	-	263	-	263	-	-
NHJ Education Foundation	4,213	10,959	9,483	-	5,689	4,214	7,673	-	2,230
Houghton/Riverside Donation	-	8,568	2,140	-	6,428	-	3,528	-	2,900
Century Link Clarke M Williams	-	4,610	-	-	4,610	-	4,032	-	578
Stem Classroom Grant	-	-	-	-	-	500	-	-	500
CVS Caremark Challenge Grant	-	-	-	-	-	1,000	664	-	336
East Asian Literature Grant	-	-	-	-	-	300	-	-	300
High Ability 12/13	3,877	-	3,877	-	-	-	-	-	-
High Ability 13/14	-	31,531	26,216	-	5,315	-	5,315	-	-
High Ability 14/15	-	-	-	-	-	32,137	24,306	-	7,831
Drug Free Comm JCCASA 12/13	30	-	30	-	-	-	-	-	-
Drug Free Comm JCCASA 2013/14	-	3,380	3,380	-	-	-	-	-	-
Drug Free Comm JCCASA 2014	-	2,000	-	-	2,000	-	2,000	-	-
Medicaid Reimbursement	7,335	11,413	-	-	18,748	10,490	5,295	-	23,943
Secured Schools Safety Grant	-	-	18,320	-	(18,320)	18,320	-	-	-
School Technology	27,430	21,626	44,922	-	4,134	17,530	28,736	-	(7,072)
Title I 12/13	-	80,156	80,156	-	-	-	-	-	-
Title I 13/14	-	116,043	146,126	-	(30,083)	84,998	54,915	-	-
Title I 14/15	-	-	-	-	-	102,849	134,403	-	(31,554)
Medicaid Reimbursement - Federal	14,763	21,931	-	-	36,694	20,396	-	-	57,090
Title II Part A 12/14	-	21,739	21,739	-	-	-	-	-	-
Title II 13/15	-	22,198	25,362	-	(3,164)	17,232	14,068	-	-
Title II 14/16	-	-	-	-	-	23,136	26,632	-	(3,496)
Payroll Withholdings	6,897	2,811,905	2,731,199	-	87,603	2,765,870	2,771,811	-	81,662
Totals	\$ 6,951,446	\$ 21,196,146	\$ 21,761,426	\$ -	\$ 6,386,166	\$ 20,623,727	\$ 21,024,460	\$ 1,195,000	\$ 7,180,433

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

NINEVEH-HENSLEY-JACKSON UNITED 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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, and other similar fees.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts 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. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts 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 amounts 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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
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.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant funds that are required to be spent prior to reimbursement by the grantor agency. There were disbursements made from these funds at June 30, 2014 and 2015, that were not yet reimbursed.

Note 8. Holding Corporations

The School Corporation has entered into a series of capital leases with Nineveh-Hensley-Jackson-Intermediate 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 ending June 30, 2014 and 2015, totaled \$1,476,047 and \$1,485,314, respectively.

The School Corporation has entered into a lease with Central Nine Career Center School Building Corporation. 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 ending June 30, 2014 and 2015, totaled \$37,579 and \$37,491, respectively.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports 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.

NINEVEH-HENSLEY-JACKSON UNITED 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	\$ 1,232,535	\$ 1,399,095	\$ 117,874	\$ 457,066	\$ 270,298	\$ 165,088	\$ 1,051,623	\$ 77,013
Receipts:								
Local sources	55,183	2,515,912	199,269	1,257,280	1,148,261	217,655	-	-
Intermediate sources	14	-	-	-	-	-	-	-
State sources	10,740,872	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	23,653	-
Other receipts	48,247	-	-	10,012	26,332	-	-	35,785
Total receipts	10,844,316	2,515,912	199,269	1,267,292	1,174,593	217,655	23,653	35,785
Disbursements:								
Instruction	6,901,480	-	-	89,491	-	-	-	-
Support services	3,457,482	20,924	-	817,144	1,093,628	85,523	-	-
Noninstructional services	85,391	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	300,574	-	-	-	112,798
Debt service	-	2,567,235	202,271	50,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	10,444,353	2,588,159	202,271	1,257,209	1,093,628	85,523	-	112,798
Excess (deficiency) of receipts over disbursements	399,963	(72,247)	(3,002)	10,083	80,965	132,132	23,653	(77,013)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	178,850	-
Transfers out	-	-	-	(128,850)	(50,000)	-	-	-
Total other financing sources (uses)	-	-	-	(128,850)	(50,000)	-	178,850	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	399,963	(72,247)	(3,002)	(118,767)	30,965	132,132	202,503	(77,013)
Cash and investments - ending	\$ 1,632,498	\$ 1,326,848	\$ 114,872	\$ 338,299	\$ 301,263	\$ 297,220	\$ 1,254,126	\$ -

NINEVEH-HENSLEY-JACKSON UNITED 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)

	Construction Fund GO 2012 Bond	Go Bond of 2014 ICES Addition	Construction Fund New ICES	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ 1,236,195	\$ -	\$ -	\$ 220,078	\$ 427,844	\$ 22,367	\$ 1,450	\$ -
Receipts:								
Local sources	-	-	-	1,033,208	178,440	-	-	-
Intermediate sources	-	-	-	-	-	-	186	-
State sources	-	-	-	11,057	46,753	-	-	2,981
Federal sources	-	-	-	371,296	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	3,863	20,924	-	-	-
Total receipts	-	-	-	1,419,424	246,117	-	186	2,981
Disbursements:								
Instruction	-	-	-	-	-	-	-	5,330
Support services	4,511	-	-	959	200,604	-	-	-
Noninstructional services	-	-	-	1,254,737	-	-	-	-
Facilities acquisition and construction	1,190,176	-	-	-	-	-	-	-
Debt service	-	-	-	-	87,351	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,194,687	-	-	1,255,696	287,955	-	-	5,330
Excess (deficiency) of receipts over disbursements	(1,194,687)	-	-	163,728	(41,838)	-	186	(2,349)
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	(1,194,687)	-	-	163,728	(41,838)	-	186	(2,349)
Cash and investments - ending	\$ 41,508	\$ -	\$ -	\$ 383,806	\$ 386,006	\$ 22,367	\$ 1,636	\$ (2,349)

NINEVEH-HENSLEY-JACKSON UNITED 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)

	Early Intervention Grant 12/13	Early Intervention 13/14	Early Intervention Grant 2015	Byan Pitcher Gift Interest	Education in Drugs Narcotics	Greer Family Gift Interest	McNeely Gift (8000)	McNeely Gift (21500)
Cash and investments - beginning	\$ 6,730	\$ -	\$ -	\$ 7,458	\$ -	\$ 6,140	\$ 8,000	\$ 21,500
Receipts:								
Local sources	-	-	-	21	200	5,048	-	21,500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	9,500	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>21</u>	<u>200</u>	<u>5,048</u>	<u>-</u>	<u>21,500</u>
Disbursements:								
Instruction	-	503	-	-	198	-	-	-
Support services	6,730	2,800	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	5,000	-	21,500
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>6,730</u>	<u>3,303</u>	<u>-</u>	<u>-</u>	<u>198</u>	<u>5,000</u>	<u>-</u>	<u>21,500</u>
Excess (deficiency) of receipts over disbursements	<u>(6,730)</u>	<u>6,197</u>	<u>-</u>	<u>21</u>	<u>2</u>	<u>48</u>	<u>-</u>	<u>-</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>(6,730)</u>	<u>6,197</u>	<u>-</u>	<u>21</u>	<u>2</u>	<u>48</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 6,197</u>	<u>\$ -</u>	<u>\$ 7,479</u>	<u>\$ 2</u>	<u>\$ 6,188</u>	<u>\$ 8,000</u>	<u>\$ 21,500</u>

NINEVEH-HENSLEY-JACKSON UNITED 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)

	McNeely Gift (26092)	McNeely Gifts Usable Interest	McNeely Gift/ Hillyard Lyons	NASA/ Life Sciences Grant 10/12	Fit City Grant 11/12 Healthy JC	Scholarships and Awards	Pepsi Donation	Kroger Donation ICIS Criterion
Cash and investments - beginning	\$ 26,092	\$ 12,511	\$ 46,060	\$ 32,370	\$ 3,000	\$ 36,377	\$ -	\$ 2,137
Receipts:								
Local sources	26,092	5,043	-	-	-	-	13,500	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>26,092</u>	<u>5,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>-</u>
Disbursements:								
Instruction	-	5,998	-	3,770	-	-	-	1,874
Support services	-	-	-	-	-	-	7,000	-
Noninstructional services	-	-	-	-	3,000	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	26,092	-	-	-	-	36,377	-	-
Interfund loans	-	-	-	-	-	-	25	-
Total disbursements	<u>26,092</u>	<u>5,998</u>	<u>-</u>	<u>3,770</u>	<u>3,000</u>	<u>36,377</u>	<u>7,025</u>	<u>1,874</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(955)</u>	<u>-</u>	<u>(3,770)</u>	<u>(3,000)</u>	<u>(36,377)</u>	<u>6,475</u>	<u>(1,874)</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>-</u>	<u>(955)</u>	<u>-</u>	<u>(3,770)</u>	<u>(3,000)</u>	<u>(36,377)</u>	<u>6,475</u>	<u>(1,874)</u>
Cash and investments - ending	<u>\$ 26,092</u>	<u>\$ 11,556</u>	<u>\$ 46,060</u>	<u>\$ 28,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,475</u>	<u>\$ 263</u>

NINEVEH-HENSLEY-JACKSON UNITED 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)

	NHJ Education Foundation	Houghton/ Riverside Donation	Century Link Clarke M Williams	Stem Classroom Grant	CVS Caremark Challenge Grant	East Asian Literature Grant	High Ability 12/13	High Ability 13/14
Cash and investments - beginning	\$ 4,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,877	\$ -
Receipts:								
Local sources	10,959	8,568	4,610	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	31,531
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>10,959</u>	<u>8,568</u>	<u>4,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,531</u>
Disbursements:								
Instruction	9,483	2,140	-	-	-	-	3,877	26,216
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>9,483</u>	<u>2,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,877</u>	<u>26,216</u>
Excess (deficiency) of receipts over disbursements	<u>1,476</u>	<u>6,428</u>	<u>4,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,877)</u>	<u>5,315</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>1,476</u>	<u>6,428</u>	<u>4,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,877)</u>	<u>5,315</u>
Cash and investments - ending	<u>\$ 5,689</u>	<u>\$ 6,428</u>	<u>\$ 4,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,315</u>

NINEVEH-HENSLEY-JACKSON UNITED 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 Ability 14/15	Drug Free Comm JCCASA 12/13	Drug Free Comm JCCASA 2013/14	Drug Free Comm JCCASA 2014	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Title I 12/13
Cash and investments - beginning	\$ -	\$ 30	\$ -	\$ -	\$ 7,335	\$ -	\$ 27,430	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	3,380	2,000	11,413	-	21,626	-
Federal sources	-	-	-	-	-	-	-	80,156
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	3,380	2,000	11,413	-	21,626	80,156
Disbursements:								
Instruction	-	30	3,380	-	-	-	-	43,330
Support services	-	-	-	-	-	18,320	3,848	17,365
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	41,074	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	19,461
Total disbursements	-	30	3,380	-	-	18,320	44,922	80,156
Excess (deficiency) of receipts over disbursements	-	(30)	-	2,000	11,413	(18,320)	(23,296)	-
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	-	(30)	-	2,000	11,413	(18,320)	(23,296)	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 18,748</u>	<u>\$ (18,320)</u>	<u>\$ 4,134</u>	<u>\$ -</u>

NINEVEH-HENSLEY-JACKSON UNITED 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)

	Title I 13/14	Title I 14/15	Medicaid Reimbursement - Federal	Title II Part A 12/14	Title II 13/15	Title II 14/16	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 14,763	\$ -	\$ -	\$ -	\$ 6,897	\$ 6,951,446
Receipts:								
Local sources	-	-	-	-	-	-	-	6,700,749
Intermediate sources	-	-	-	-	-	-	-	200
State sources	-	-	-	-	-	-	-	10,881,113
Federal sources	116,043	-	21,931	21,739	22,198	-	-	633,363
Interfund loans	-	-	-	-	-	-	-	23,653
Other receipts	-	-	-	-	-	-	2,811,905	2,957,068
Total receipts	116,043	-	21,931	21,739	22,198	-	2,811,905	21,196,146
Disbursements:								
Instruction	146,126	-	-	17,572	25,362	-	-	7,286,160
Support services	-	-	-	-	-	-	2,731,199	8,468,037
Noninstructional services	-	-	-	-	-	-	-	1,343,128
Facilities acquisition and construction	-	-	-	-	-	-	-	1,644,622
Debt service	-	-	-	-	-	-	-	2,906,857
Nonprogrammed charges	-	-	-	-	-	-	-	88,969
Interfund loans	-	-	-	4,167	-	-	-	23,653
Total disbursements	146,126	-	-	21,739	25,362	-	2,731,199	21,761,426
Excess (deficiency) of receipts over disbursements	(30,083)	-	21,931	-	(3,164)	-	80,706	(565,280)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	178,850
Transfers out	-	-	-	-	-	-	-	(178,850)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(30,083)	-	21,931	-	(3,164)	-	80,706	(565,280)
Cash and investments - ending	\$ (30,083)	\$ -	\$ 36,694	\$ -	\$ (3,164)	\$ -	\$ 87,603	\$ 6,386,166

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 1,632,498	\$ 1,326,848	\$ 114,872	\$ 338,299	\$ 301,263	\$ 297,220	\$ 1,254,126	\$ -
Receipts:								
Local sources	105,444	2,101,019	200,951	1,266,999	1,188,974	172,244	-	-
Intermediate sources	10	-	-	-	-	-	-	-
State sources	10,740,388	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	28,447	-	-	264	33,752	-	-	-
Total receipts	10,874,289	2,101,019	200,951	1,267,263	1,222,726	172,244	-	-
Disbursements:								
Instruction	6,865,401	-	-	16,885	-	-	-	-
Support services	3,728,920	-	-	833,239	1,075,381	247,758	-	-
Noninstructional services	101,171	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	164,459	-	-	-	-
Debt service	-	2,530,515	199,225	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,695,492	2,530,515	199,225	1,014,583	1,075,381	247,758	-	-
Excess (deficiency) of receipts over disbursements	178,797	(429,496)	1,726	252,680	147,345	(75,514)	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	22,367	-	335,000	-
Transfers out	(335,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(335,000)	-	-	-	22,367	-	335,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(156,203)	(429,496)	1,726	252,680	169,712	(75,514)	335,000	-
Cash and investments - ending	\$ 1,476,295	\$ 897,352	\$ 116,598	\$ 590,979	\$ 470,975	\$ 221,706	\$ 1,589,126	\$ -

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Construction Fund GO 2012 Bond	Go Bond of 2014 ICES Addition	Construction Fund New ICES	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ 41,508	\$ -	\$ -	\$ 383,806	\$ 386,006	\$ 22,367	\$ 1,636	\$ (2,349)
Receipts:								
Local sources	-	-	-	1,002,150	197,064	-	-	-
Intermediate sources	-	-	-	-	-	-	131	-
State sources	-	-	-	11,130	43,340	-	-	11,095
Federal sources	-	-	-	334,010	-	-	-	-
Other receipts	6,000	-	-	5,342	-	-	-	-
Total receipts	6,000	-	-	1,352,632	240,404	-	131	11,095
Disbursements:								
Instruction	-	-	-	-	-	-	-	8,746
Support services	-	-	-	667	131,468	-	-	-
Noninstructional services	-	-	-	1,279,891	-	-	-	-
Facilities acquisition and construction	47,508	487,094	-	-	-	-	-	-
Debt service	-	-	-	-	139,455	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	47,508	487,094	-	1,280,558	270,923	-	-	8,746
Excess (deficiency) of receipts over disbursements	(41,508)	(487,094)	-	72,074	(30,519)	-	131	2,349
Other financing sources (uses):								
Proceeds of long-term debt	-	995,000	-	-	-	-	-	-
Sale of capital assets	-	-	200,000	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(22,367)	-	-
Total other financing sources (uses)	-	995,000	200,000	-	-	(22,367)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(41,508)	507,906	200,000	72,074	(30,519)	(22,367)	131	2,349
Cash and investments - ending	\$ -	\$ 507,906	\$ 200,000	\$ 455,880	\$ 355,487	\$ -	\$ 1,767	\$ -

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Early Intervention Grant 12/13	Early Intervention 13/14	Early Intervention Grant 2015	Byan Pitcher Gift Interest	Education in Drugs Narcotics	Greer Family Gift Interest	McNeely Gift (8000)	McNeely Gift (21500)
Cash and investments - beginning	\$ -	\$ 6,197	\$ -	\$ 7,479	\$ 2	\$ 6,188	\$ 8,000	\$ 21,500
Receipts:								
Local sources	-	-	-	3	-	24	-	21,500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	10,000	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	10,000	3	-	24	-	21,500
Disbursements:								
Instruction	-	6,000	6,526	-	2	-	-	-
Support services	-	-	3,416	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	21,500
Total disbursements	-	6,000	9,942	-	2	-	-	21,500
Excess (deficiency) of receipts over disbursements	-	(6,000)	58	3	(2)	24	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,000)	58	3	(2)	24	-	-
Cash and investments - ending	\$ -	\$ 197	\$ 58	\$ 7,482	\$ -	\$ 6,212	\$ 8,000	\$ 21,500

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	McNeely Gift (26092)	McNeely Gifts Usable Interest	McNeely Gift/ Hillyard Lyons	NASA/ Life Sciences Grant 10/12	Fit City Grant 11/12 Healthy JC	Scholarships and Awards	Pepsi Donation	Kroger Donation ICIS Criterion
Cash and investments - beginning	\$ 26,092	\$ 11,556	\$ 46,060	\$ 28,600	\$ -	\$ -	\$ 6,475	\$ 263
Receipts:								
Local sources	26,092	4,882	-	-	-	-	13,500	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>26,092</u>	<u>4,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>-</u>
Disbursements:								
Instruction	-	6,000	-	-	-	-	-	263
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	7,500	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	<u>26,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Total disbursements	<u>26,092</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>263</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>-</u>	<u>(1,118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263)</u>
Cash and investments - ending	<u>\$ 26,092</u>	<u>\$ 10,438</u>	<u>\$ 46,060</u>	<u>\$ 28,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,475</u>	<u>\$ -</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	NHJ Education Foundation	Houghton/ Riverside Donation	Century Link Clarke M Williams	Stem Classroom Grant	CVS Caremark Challenge Grant	East Asian Literature Grant	High Ability 12/13	High Ability 13/14
Cash and investments - beginning	\$ 5,689	\$ 6,428	\$ 4,610	\$ -	\$ -	\$ -	\$ -	\$ 5,315
Receipts:								
Local sources	4,214	-	-	500	1,000	300	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>4,214</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>1,000</u>	<u>300</u>	<u>-</u>	<u>-</u>
Disbursements:								
Instruction	7,673	3,528	4,032	-	664	-	-	5,315
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>7,673</u>	<u>3,528</u>	<u>4,032</u>	<u>-</u>	<u>664</u>	<u>-</u>	<u>-</u>	<u>5,315</u>
Excess (deficiency) of receipts over disbursements	<u>(3,459)</u>	<u>(3,528)</u>	<u>(4,032)</u>	<u>500</u>	<u>336</u>	<u>300</u>	<u>-</u>	<u>(5,315)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,459)</u>	<u>(3,528)</u>	<u>(4,032)</u>	<u>500</u>	<u>336</u>	<u>300</u>	<u>-</u>	<u>(5,315)</u>
Cash and investments - ending	<u>\$ 2,230</u>	<u>\$ 2,900</u>	<u>\$ 578</u>	<u>\$ 500</u>	<u>\$ 336</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	High Ability 14/15	Drug Free Comm JCCASA 12/13	Drug Free Comm JCCASA 2013/14	Drug Free Comm JCCASA 2014	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Title I 12/13
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,000	\$ 18,748	\$ (18,320)	\$ 4,134	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	32,137	-	-	-	10,490	18,320	17,530	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>32,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,490</u>	<u>18,320</u>	<u>17,530</u>	<u>-</u>
Disbursements:								
Instruction	24,306	-	-	2,000	5,295	-	-	-
Support services	-	-	-	-	-	-	(4,780)	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	33,516	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>24,306</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>5,295</u>	<u>-</u>	<u>28,736</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,831</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>5,195</u>	<u>18,320</u>	<u>(11,206)</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,831</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>5,195</u>	<u>18,320</u>	<u>(11,206)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,943</u>	<u>\$ -</u>	<u>\$ (7,072)</u>	<u>\$ -</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Title I 13/14	Title I 14/15	Medicaid Reimbursement - Federal	Title II Part A 12/14	Title II 13/15	Title II 14/16	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (30,083)	\$ -	\$ 36,694	\$ -	\$ (3,164)	\$ -	\$ 87,603	\$ 6,386,166
Receipts:								
Local sources	-	-	-	-	-	-	-	6,306,860
Intermediate sources	-	-	-	-	-	-	-	141
State sources	-	-	-	-	-	-	-	10,894,430
Federal sources	84,998	102,849	20,396	-	17,232	23,136	-	582,621
Other receipts	-	-	-	-	-	-	2,765,870	2,839,675
Total receipts	<u>84,998</u>	<u>102,849</u>	<u>20,396</u>	<u>-</u>	<u>17,232</u>	<u>23,136</u>	<u>2,765,870</u>	<u>20,623,727</u>
Disbursements:								
Instruction	54,915	134,403	-	-	14,068	26,632	-	7,192,654
Support services	-	-	-	-	-	-	2,771,811	8,787,880
Noninstructional services	-	-	-	-	-	-	-	1,381,062
Facilities acquisition and construction	-	-	-	-	-	-	-	740,077
Debt service	-	-	-	-	-	-	-	2,869,195
Nonprogrammed charges	-	-	-	-	-	-	-	53,592
Total disbursements	<u>54,915</u>	<u>134,403</u>	<u>-</u>	<u>-</u>	<u>14,068</u>	<u>26,632</u>	<u>2,771,811</u>	<u>21,024,460</u>
Excess (deficiency) of receipts over disbursements	<u>30,083</u>	<u>(31,554)</u>	<u>20,396</u>	<u>-</u>	<u>3,164</u>	<u>(3,496)</u>	<u>(5,941)</u>	<u>(400,733)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	995,000
Sale of capital assets	-	-	-	-	-	-	-	200,000
Transfers in	-	-	-	-	-	-	-	357,367
Transfers out	-	-	-	-	-	-	-	(357,367)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,195,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>30,083</u>	<u>(31,554)</u>	<u>20,396</u>	<u>-</u>	<u>3,164</u>	<u>(3,496)</u>	<u>(5,941)</u>	<u>794,267</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (31,554)</u>	<u>\$ 57,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,496)</u>	<u>\$ 81,662</u>	<u>\$ 7,180,433</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 278,155</u>	<u>\$ 46,220</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Central Nine Career Center School Building Corporation	C9 Career Center Bonds of 2009	\$ 37,622	12/31/2010	6/30/2020
Nineveh-Hensley-Jackson Intermediate School Building Corporation	Taxable Ad Valorem Property Tax First Mortgage Bond 2011t	262,652	1/15/2012	1/15/2020
Nineveh-Hensley-Jackson Intermediate School Building Corporation	Taxable Ad Valorem Property Tax First Mortgage Bond 2011At	1,035,500	7/15/2011	1/15/2027
Nineveh-Hensley-Jackson Intermediate School Building Corporation	Ad Valorem Property Tax First Mortgage Bond 2015	384,500	1/15/2016	1/15/2030
Nineveh-Hensley-Jackson Intermediate School Building Corporation	First Mortgage Refunding Bond Series 2009	<u>249,000</u>	1/15/2010	1/15/2020
Total governmental activities		<u>1,969,274</u>		
Total of annual lease payments		<u>\$ 1,969,274</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Go Bond 2014		\$ 500,000	\$ 502,750
Revenue bonds	School Severance Taxable Program Series 2013		775,000	200,544
Notes and loans payable	Mutual Savings Bank Ipad purchase		<u>249,197</u>	<u>144,398</u>
Total governmental activities			<u>1,524,197</u>	<u>847,692</u>
Totals			<u>\$ 1,524,197</u>	<u>\$ 847,692</u>

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NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 2,309,956
Infrastructure	170,000
Buildings	57,384,160
Improvements other than buildings	2,401,916
Machinery, equipment, and vehicles	4,621,428
Construction in progress	10,000,000
Books and other	625,550
Total governmental activities	77,513,010
Total capital assets	\$ 77,513,010

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 NINEVEH-HENSLEY-JACKSON UNITED
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Nineveh-Hensley-Jackson United 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, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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

Report on Internal Control over Compliance


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003, and 2015-004 to be material weaknesses.

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

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

August 30, 2017

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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.

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NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program					
Indiana Department of Education					
School Breakfast Program					
School Breakfast Program					
10.553					
FY 13/14					
\$ 58,758					
FY 14/15					
-					
54,569					
Total - School Breakfast Program					
58,758					
54,569					
National School Lunch Program					
Indiana Department of Education					
National School Lunch Program					
National School Lunch Program					
10.555					
FY 13/14					
371,492					
FY 14/15					
-					
333,744					
Total - National School Lunch Program					
371,492					
333,744					
Total - Child Nutrition Cluster and Department of Agriculture					
430,250					
388,313					
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States					
Indiana Department of Education					
84.027					
Federal Grant - Fund 5200					
14212-033-PN01					
95					
-					
Federal Grant - Fund 5210					
14213-033-PN01					
101,480					
79					
Federal Technical Assistance Grant_Fund 5220					
99914-033-TA01					
3,995					
3,627					
Federal Grant - Fund 5230					
14214-033-PN01					
253,243					
87,117					
Federal Grant - Fund 5240					
14215-033-PN01					
-					
241,799					
Total - Special Education_Grants to States					
358,813					
332,622					
Special Education_Preschool Grants					
Indiana Department of Education					
84.173					
Federal Grant - Fund 5420					
45713-033-PN01					
188					
-					
Federal Grant - Fund 5400					
45714-033-PN01					
6,146					
2,559					
Federal Grant - Fund 5410					
45715-033-PN01					
-					
5,554					
Total - Special Education_Preschool Grants					
6,334					
8,113					
Total - Special Education Cluster (IDEA)					
365,147					
340,735					
Title I Grants to Local Educational Agencies					
Indiana Department of Education					
84.010					
Title I					
13-4255					
80,156					
-					
Title I					
14-4255					
116,043					
84,998					
Title I					
15-4255					
-					
102,849					
Total - Title I Grants to Local Educational Agencies					
196,199					
187,847					
Supporting Effective Instruction State Grant					
Indiana Department of Education					
84.367					
Title II					
12-4255					
21,739					
-					
Title II					
13-4255					
22,198					
17,232					
Title II					
14-4255					
-					
23,136					
Total - Supporting Effective Instruction State Grant					
43,937					
40,368					
Total - Department of Education					
605,283					
568,950					
Total federal awards expended					
\$ 1,035,533					
\$ 957,263					

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

NINEVEH-HENSLEY-JACKSON-UNITED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative

The School Corporation is a member of the Special Services - Johnson County and Surrounding Schools (Cooperative) which 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 for the School Corporation. This activity is reported on the financial statement of the Cooperative.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2015-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior year. The prior finding number was 2013-002.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation did not have an effective system of Internal Control in place to prevent, or detect and correct, material errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation relied on one employee to prepare the SEFA. The School Corporation assigned a second employee to review the SEFA; however, the review was not effective in preventing errors and omissions on the SEFA.

Context

Eight grants totaling \$687,102 were not included on the SEFA. Seven of these grants were administered by the Special Services - Johnson County and Surrounding Schools Special Education Cooperative.

The value of Noncash Assistance for the Child Nutrition Cluster was not included on the SEFA. The dollar value assigned to the food commodities was \$113,238.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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 § _____.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:

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13/14, FY 14/15
Pass -Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the Reporting requirements. There were no procedures in place to ensure that the reports submitted were accurate. An oversight, review or approval process, or other compensating control had not been established.

The School Corporation relied on one employee to submit the Annual Financial Report and the School Food Authority (SFA) Verification Collection Reports.

Context

The lack of controls was a systemic problem, occurring throughout the audit period.

Criteria

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

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

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement noted.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-003

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 13-4255, 14-4255, 15-4255
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the Reporting requirements relating to the final expenditure reports. There were no procedures in place to ensure that the reports submitted were accurate. An oversight, review or approval process, or other compensating control had not been established.

Context

Controls did not exist over the Reporting compliance requirement relating to the final expenditure reports during the audit period.

Criteria

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

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Reporting requirements for the final expenditure reports.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement relating to the submission of the final expenditure reports.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-004

Subject: Special Education Cluster (IDEA) - Cash Management and Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-033-PN01, 14213-033-PN01,
14214-033-PN01, 99914-033-TA01,
45713-033-PN01, 45714-033-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management and Reporting

Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirements: Cash Management and Reporting.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The Treasurer prepared the cash reimbursement request from the financial ledger, reconciled the reports to the financial ledger, and retained those reports in the grant files; however, there was no segregation of duties relating to the cash reimbursement request.

Criteria

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

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

Cause

Management had not established a system of internal control that would have ensured oversight and review of the cash reimbursement requests.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

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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.



Summary Schedule of Prior Period Audit Findings

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT

Federal Agency: U.S. Department of Education

Federal Program: Education Jobs Fund

CFDA Number: 84.410

Federal Award Number and Year (or Other Identifying Number): 2011-2012 Pass-Through Entity: Indiana Department of Education

Contact: Debbie Carter

Phone: 317-878-2100

Status of Finding

Education Job Funds grant monies are no longer received by the school district.

The Corporation Treasurer prepares all grant reimbursements and the Deputy Treasurer and/or Administrative Secretary reviews and signs these requests.



NINEVEH-HENSLY-JACKSON UNITED SCHOOL CORPORATION

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Indian Creek Schools

FINDING 2013-004 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT

Federal Agency: U.S. Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2011-2012, FY 2012-2013
Pass-Through Entity: Indiana Department of Education

Contact: Carol Schaaf

Phone: 317-878-2106

Status of Finding

Nineveh-Hensley-Jackson USC implemented a plan and procedure to have the school lunch reports and reimbursements reviewed by the Head Cook on a daily basis of the MS/HS and IS/ES Cafeteria and verified by the Cafeteria Director on a monthly basis. Reimbursement revenue is entered by Administrative Secretary and approved by Corporation Treasurer and posted to Komputrol by Corporation Treasurer. Head cook and Cafeteria Director will initial each report.



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Indian Creek Schools

FINDING 2013-005 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: U.S. Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2011-2012, FY 2012-2013

Pass-Through Entity: Indiana Department of Education

Contact: Carol Schaaf

Phone: 317-878-2106

Status of Finding

Nineveh-Hensley-Jackson USC implemented a plan to have all employees that are paid from grants and/or cafeteria funds certified by using the Distribution History Report from Komputrol. This is done every 6 months for Title I, Title II and High Ability and done every payroll, 6 month and year end for Cafeteria. This report shows the employee and the fund number with gross pay by payroll date. This report for Title I, Title II and HA is pulled by the Business Manager and verified by the Deputy Treasurer. The cafeteria report is pulled by the Deputy Treasurer and verified by the Cafeteria Director.

Signature:

Debra E. Carter

Title: Business Manager

Date: July 24, 2017



August 29, 2017

CORRECTIVE ACTION PLAN

Finding 2015-001 – Preparation of Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action Plan: Debra Carter
Contact Phone Number: 317-878-2100

Effective immediately Nineveh Hensley Jackson USC will implement a plan to have the SEFA report double checked for accuracy and omissions. We will now include the grants administered by Johnson County Special Service Education Cooperative.

The Food Service Director will obtain the value of Noncash Assistance for the Child Nutrition Cluster and provide that information to the Business Manager. The Business Manager will then review the report with the Superintendent and both with sign off on the report that it was checked for accuracy.

Finding 2015-002 – Controls over Child Nutrition Cluster

Contact Person Responsible for Corrective Action: Carol Schaaf
Contact Phone Number: 317-878-2106

Effective immediately Nineveh Hensley Jackson USC will implement a plan to ensure accuracy of annual financial reports and the annual verification reports. They are created by the Food Service Director and reviewed by the Business Manager and/or Superintendent. This is in our Internal Controls Manual on page 101 which was board approved December 13, 2016.

Finding 2015-03 – Control Over Title I Grants to Local Educational Agencies

Contact Person Responsible for Corrective Action Plan: Debra Carter
Contact Phone Number: 317-878-2100

Current practice requires two signatures on the reimbursement reports for Title I. Each month the Business Manager creates the reimbursement report and reviews it with the Deputy Treasurer for accuracy. Both initial the report when submitted and again when the reimbursement is received.



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Indian Creek Schools

Finding 2015-04 – Internal Controls over the Special Education Cluster

Contact Person Responsible for Corrective Action Plan: Debra Carter

Contact Phone Number: 317-878-2100

Current practice includes receiving reports from Johnson County Special Services so those grants can be included on our SEFA report. This issue has already been corrected at Johnson County Special Services.

Anticipated Completion Date: August 30, 2017

Debra E. Carter

(Signature)

Business Manager
(Title)

August 29, 2017
(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.