

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH WEST HENDRICKS SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/26/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-39
Schedule of Payables and Receivables	41
Schedule of Leases and Debt	42
Schedule of Capital Assets.....	43
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	46-48
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	51
Notes to Schedule of Expenditures of Federal Awards	52
Schedule of Findings and Questioned Costs	53-61
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	64
Corrective Action Plan	65-66
Other Reports.....	67

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kristina James	07-01-13 to 06-30-18
Superintendent of Schools	Richard G. King Michael J. Springer	07-01-13 to 06-30-17 07-01-17 to 06-30-18
President of the School Board	Connie L. Bowman	07-01-13 to 06-30-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the North West Hendricks 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 July 24, 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

July 24, 2017



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the North West Hendricks 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 July 24, 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 certain deficiencies 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 deficiencies 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.

North West Hendricks 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

July 24, 2017

(This page intentionally left blank.)

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.

NORTH WEST HENDRICKS 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	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 1,382,407	\$ 10,816,966	10,669,869	\$ (5,915)	\$ 1,523,589	\$ 10,780,965	\$ 11,136,921	\$ (1,886)	\$ 1,165,747
Debt Service	989,124	6,360,455	6,276,563	-	1,073,016	5,951,497	5,558,154	-	1,466,359
Retirement/Severance Bond Debt Service	81,803	252,668	238,919	-	95,552	210,390	231,677	-	74,265
Capital Projects	518,648	926,168	1,243,309	-	201,507	1,366,949	1,037,611	4	530,849
School Transportation	690,906	650,040	762,056	-	578,890	768,232	798,559	-	548,563
School Bus Replacement	520,118	832,920	875,470	-	477,568	1,038,683	875,470	-	640,781
Rainy Day	775,000	-	-	-	775,000	-	125,000	-	650,000
Retirement/Severance Bond	92,557	-	19,665	-	72,892	-	80	-	72,812
School Corporation Construction Fund 2008	23,103	8	-	-	23,111	6	-	-	23,117
School Corporation Construction Fund 2015	-	-	-	-	-	-	18,753	22,384	3,631
School Lunch	142,959	853,586	853,303	-	143,242	846,058	847,241	-	142,059
Textbook Rental	238,978	280,172	188,710	-	330,440	310,951	261,569	-	379,822
Self-Insurance	(843,557)	398,002	163,208	-	(608,763)	140,627	504	1,886	(466,754)
Levy Excess	-	-	-	-	-	1,373	-	-	1,373
Educational License Plates	2,006	206	-	-	2,212	169	-	-	2,381
Donations, Gifts and Trusts	1,463	-	-	-	1,463	502	-	-	1,965
Renaissance Fund	2,263	17,922	15,086	-	5,099	4,665	8,317	-	1,447
Adopt A Classroom	-	200	-	-	200	951	746	-	405
2015 Wellness Program Grant	-	-	-	-	-	1,300	1,300	-	-
Gift of Property - Sold/Building	20,010	-	-	-	20,010	-	7,202	-	12,808
Instruction Support 12-13	53	-	-	-	53	-	-	-	53
Extra Cirricular WKRS/TWMS	74	1,290	1,290	-	74	1,890	1,890	-	74
Tri-West Extra-Cirricular Helpers	240	6,035	5,757	-	518	5,720	6,220	-	18
Vol Ath Coaches-Donations/TWHS	739	1,500	1,500	-	739	2,125	1,500	-	1,364
Custodial Overtime	3,664	3,093	-	-	6,757	2,832	4,039	-	5,550
Scholarships and Awards	320	5,930	5,000	-	1,250	6,012	7,000	-	262
Miscellaneous Programs	42,505	-	4,800	-	37,705	-	-	-	37,705
SIA Foundation Grant 2013	-	2,727	2,727	-	-	-	-	-	-
NWH Education Foundation Grant	-	-	-	-	-	20,876	17,161	-	3,715
Donations/Gifts	310	-	-	-	310	-	-	-	310
Donation-Pittsboro Methodist	-	-	-	-	-	500	500	-	-
One Room Schoolhouse	1,463	8,149	5,562	-	4,050	19,741	6,018	-	17,773
Smithville Charitable Grant	-	-	-	-	-	3,500	3,500	-	-
Academic Decathlon	2,118	-	915	-	1,203	25	1,043	-	185
Hendricks Regional Sponsorship	-	-	-	-	-	15,000	10,840	-	4,160
Phi Beta Psi Sorority-Donation	-	-	-	-	-	575	313	-	262
Larry & Jackie Sparks	-	-	-	-	-	5,333	1,000	-	4,333
Lowes Toolbox Grant May 2015	-	-	-	-	-	3,000	-	-	3,000
Youth as Resources/Sheltering	-	-	-	-	-	909	909	-	-
Instruction Support	62,332	106,038	130,655	-	37,715	139,860	114,486	-	63,089

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

NORTH WEST HENDRICKS 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
Gifted & Talented - 13/14 Grant	-	32,713	29,499	-	3,214	-	3,214	-	-
Gifted & Talented - 14/15 Grant	-	-	-	-	-	33,141	28,957	-	4,184
Drug Free Communities	15,461	1,500	4,420	-	12,541	2,000	1,596	-	12,945
Recreational Activities	3,427	5,708	8,127	-	1,008	6,386	5,958	-	1,436
TW High School Swim Club	4	1,500	1,500	-	4	-	-	-	4
X Cur Summer Ath Programs	(724)	724	-	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	2,130	-	-	-	2,130	-	378	-	1,752
School Technology	13,526	9,533	2,000	(18,573)	2,486	9,759	-	-	12,245
Service Club/Nurturing Environ	173	-	173	-	-	-	-	-	-
Youth as Resources/United Way	31	-	-	-	31	-	31	-	-
Dollar General Grant - PPS	-	-	-	-	-	3,000	2,922	-	78
Student Academic Account	28	-	-	-	28	-	-	-	28
Sale of Property on Osborne	43,845	-	-	-	43,845	-	-	-	43,845
Connect 2000 Grant	4,709	19,367	39,584	18,573	3,065	25,492	47,651	-	(19,094)
Eli Lilly Science Grant	53	-	-	-	53	-	-	-	53
Insurance Claims/Losses	-	15,226	17,715	5,915	3,426	22,907	26,329	(4)	-
HPS Account	14,277	-	12,746	-	1,531	-	1,079	-	452
Title I 12-13	(19,845)	44,274	24,429	-	-	-	-	-	-
Title I CFDA 84.01A 13-14	-	51,851	75,799	-	(23,948)	39,206	15,258	-	-
Title I CFDA 84.01A 14-15	-	-	-	-	-	35,039	48,155	-	(13,116)
IDEA	95,739	-	-	-	95,739	-	-	-	95,739
IDEA 12-13	(42,532)	113,613	71,159	-	(78)	78	-	-	-
Fed Coop Flow Thru/CFDA 84.027 13-14	-	195,199	315,362	-	(120,163)	151,077	30,914	-	-
Fed Coop Flow Thru/CFDA 84.027 14-15	-	-	-	-	-	175,880	237,273	-	(61,393)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(35,936)	66,652	30,716	-	-	-	-	-	-
SPEC Educ-Tech Ast Grant 13-14	-	7,973	7,973	-	-	-	-	-	-
Fed Coop /619/ CFDA 84.173A 13-14	-	7,734	7,734	-	-	-	-	-	-
Fed Coop /619/ CFDA 84.173A 14-15	-	-	7,276	-	(7,276)	7,276	-	-	-
Title II- NCLB Part A 12/13	(9,896)	19,156	9,260	-	-	-	-	-	-
Title II- NCLB Part A 13/14	-	2,541	12,698	-	(10,157)	23,096	12,939	-	-
Title II- NCLB Part A 14/15	-	-	-	-	-	-	12,626	-	(12,626)
Prepaid Student Accounts	-	51,870	51,870	-	-	49,217	49,217	-	-
Payroll	(25,210)	2,281,146	2,292,111	-	(36,175)	2,320,866	2,317,039	-	(32,348)
Totals	\$ 4,810,866	\$ 24,452,355	\$ 24,486,515	\$ -	\$ 4,776,706	\$ 24,555,636	\$ 23,927,059	\$ 22,384	\$ 5,427,667

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

NORTH WEST HENDRICKS 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, riverboat distributions, and other similar fees.

NORTH WEST HENDRICKS 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.

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.

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.

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.

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

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 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.

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

Note 5. Risk Management

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

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

Note 6. Pension 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.

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.

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

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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. For some funds, this is a result of the reimbursement for expenditures made by the School Corporation not being received by June 30, 2014 or 2015. Other cash balance deficits are the result of disbursements exceeding receipts. The Self-Insurance fund remains as a negative balance due to the fact that our claims exceeded the premium income. We have since joined a trust, and are working to clear up the negative balance.

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

Note 8. *Holding Corporations*

The School Corporation has entered into a capital lease with North West Hendricks Middle School Building Corporation (the lessor). The lessor was organized as not-for-profit corporations 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 2014 and 2015 totaled \$1,690,000 and \$1,351,000, respective. The capital lease with the lessor was refinanced in April 2015, which decreased the annual lease payments from \$1,690,000 to \$470,000.

The School Corporation has entered into a capital lease with North West Hendricks Multi-School Building Corporation (the lessor). The lessor was organized as not-for-profit corporations 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 2014 and 2015 totaled \$3,852,000 for each fiscal year.

Note 9. *Subsequent Events*

The School Corporation passed a Bond Issuance in February 2016. North West Hendricks Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bond Series 2016A was issued in order to refinance 2008A and 2008B Bonds in the amount of \$52,882,000.

The School Corporation passed a Bond Issuance in December 2016. North West Hendricks Multi-School Building Corporation Ad Valorem Property Tax First Mortgage Bond Series 2016B was issued in order to make improvements and renovation to Tri-West High School, North Salem Elementary, Pittsboro Elementary, and Administration Building in the amount of \$2,094,000.

(This page intentionally left blank.)

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.

NORTH WEST HENDRICKS 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	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,382,407	\$ 989,124	\$ 81,803	\$ 518,648	\$ 690,906	\$ 520,118	\$ 775,000	\$ 92,557
Receipts:								
Local sources	45,558	6,360,455	252,668	926,168	650,040	832,920	-	-
Intermediate sources	23	-	-	-	-	-	-	-
State sources	10,765,469	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	5,916	-	-	-	-	-	-	-
Total receipts	<u>10,816,966</u>	<u>6,360,455</u>	<u>252,668</u>	<u>926,168</u>	<u>650,040</u>	<u>832,920</u>	<u>-</u>	<u>-</u>
Disbursements:								
Instruction	6,437,229	-	-	-	-	-	-	-
Support services	4,042,025	-	-	952,127	762,056	875,470	-	19,665
Noninstructional services	190,615	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	291,182	-	-	-	-
Debt service	-	6,276,563	238,919	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>10,669,869</u>	<u>6,276,563</u>	<u>238,919</u>	<u>1,243,309</u>	<u>762,056</u>	<u>875,470</u>	<u>-</u>	<u>19,665</u>
Excess (deficiency) of receipts over disbursements	<u>147,097</u>	<u>83,892</u>	<u>13,749</u>	<u>(317,141)</u>	<u>(112,016)</u>	<u>(42,550)</u>	<u>-</u>	<u>(19,665)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(5,915)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(5,915)</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>141,182</u>	<u>83,892</u>	<u>13,749</u>	<u>(317,141)</u>	<u>(112,016)</u>	<u>(42,550)</u>	<u>-</u>	<u>(19,665)</u>
Cash and investments - ending	<u>\$ 1,523,589</u>	<u>\$ 1,073,016</u>	<u>\$ 95,552</u>	<u>\$ 201,507</u>	<u>\$ 578,890</u>	<u>\$ 477,568</u>	<u>\$ 775,000</u>	<u>\$ 72,892</u>

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

	School Corporation Construction Fund 2008	School Corporation Construction Fund 2015	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Donations, Gifts and Trusts
Cash and investments - beginning	\$ 23,103	\$ -	\$ 142,959	\$ 238,978	\$ (843,557)	\$ -	\$ 2,006	\$ 1,463
Receipts:								
Local sources	8	-	640,664	275,703	398,002	-	-	-
Intermediate sources	-	-	-	-	-	-	206	-
State sources	-	-	13,125	4,069	-	-	-	-
Federal sources	-	-	199,151	-	-	-	-	-
Other receipts	-	-	646	400	-	-	-	-
Total receipts	<u>8</u>	<u>-</u>	<u>853,586</u>	<u>280,172</u>	<u>398,002</u>	<u>-</u>	<u>206</u>	<u>-</u>
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	17,670	188,710	-	-	-	-
Noninstructional services	-	-	833,177	-	-	-	-	-
Facilities acquisition and construction	-	-	2,456	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	163,208	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>853,303</u>	<u>188,710</u>	<u>163,208</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>8</u>	<u>-</u>	<u>283</u>	<u>91,462</u>	<u>234,794</u>	<u>-</u>	<u>206</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>8</u>	<u>-</u>	<u>283</u>	<u>91,462</u>	<u>234,794</u>	<u>-</u>	<u>206</u>	<u>-</u>
Cash and investments - ending	<u>\$ 23,111</u>	<u>\$ -</u>	<u>\$ 143,242</u>	<u>\$ 330,440</u>	<u>\$ (608,763)</u>	<u>\$ -</u>	<u>\$ 2,212</u>	<u>\$ 1,463</u>

NORTH WEST HENDRICKS 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)

	Renaissance Fund	Adopt A Classroom	2015 Wellness Program Grant	Gift of Property - Sold/Building	Instruction Support 12-13	Extra Curricular WKRS/TWMS	Tri-West Extra- Curricular Helpers	Vol Ath Coaches- Donations/ TWHS
Cash and investments - beginning	\$ 2,263	\$ -	\$ -	\$ 20,010	\$ 53	\$ 74	\$ 240	\$ 739
Receipts:								
Local sources	17,922	200	-	-	-	1,290	6,035	1,500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>17,922</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,290</u>	<u>6,035</u>	<u>1,500</u>
Disbursements:								
Instruction	6,471	-	-	-	-	1,290	5,757	1,500
Support services	8,615	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>15,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,290</u>	<u>5,757</u>	<u>1,500</u>
Excess (deficiency) of receipts over disbursements	<u>2,836</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</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>2,836</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,099</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 20,010</u>	<u>\$ 53</u>	<u>\$ 74</u>	<u>\$ 518</u>	<u>\$ 739</u>

NORTH WEST HENDRICKS 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)

	Custodial Overtime	Scholarships and Awards	Miscellaneous Programs	SIA Foundation Grant 2013	NWH Education Foundation Grant	Donations/ Gifts	Donation- Pittsboro Methodist	One Room Schoolhouse
Cash and investments - beginning	\$ 3,664	\$ 320	\$ 42,505	\$ -	\$ -	\$ 310	\$ -	\$ 1,463
Receipts:								
Local sources	3,093	5,930	-	2,727	-	-	-	8,149
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>3,093</u>	<u>5,930</u>	<u>-</u>	<u>2,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,149</u>
Disbursements:								
Instruction	-	-	4,800	2,727	-	-	-	-
Support services	-	-	-	-	-	-	-	1,406
Noninstructional services	-	-	-	-	-	-	-	4,156
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,000	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>5,000</u>	<u>4,800</u>	<u>2,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,562</u>
Excess (deficiency) of receipts over disbursements	<u>3,093</u>	<u>930</u>	<u>(4,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,587</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>3,093</u>	<u>930</u>	<u>(4,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,587</u>
Cash and investments - ending	<u>\$ 6,757</u>	<u>\$ 1,250</u>	<u>\$ 37,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ -</u>	<u>\$ 4,050</u>

NORTH WEST HENDRICKS 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)

	Smithville Charitable Grant	Academic Decathlon	Hendricks Regional Sponsorship	Phi Beta Psi Sorority- Donation	Larry & Jackie Sparks	Lowe's Toolbox Grant May 2015	Youth as Resources/ Sheltering
Cash and investments - beginning	\$ -	\$ 2,118	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Instruction	-	915	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	915	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(915)	-	-	-	-	-
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	-	(915)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 1,203	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH WEST HENDRICKS 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)

	Instruction Support	Gifted & Talented - 13/14 Grant	Gifted & Talented - 14/15 Grant	Drug Free Communities	Recreational Activities	TW High School Swim Club	X Cur Summer Ath Programs
Cash and investments - beginning	\$ 62,332	\$ -	\$ -	\$ 15,461	\$ 3,427	\$ 4	\$ (724)
Receipts:							
Local sources	106,038	-	-	1,500	5,708	1,500	724
Intermediate sources	-	-	-	-	-	-	-
State sources	-	32,713	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>106,038</u>	<u>32,713</u>	<u>-</u>	<u>1,500</u>	<u>5,708</u>	<u>1,500</u>	<u>724</u>
Disbursements:							
Instruction	130,655	-	-	2,000	8,127	-	-
Support services	-	26,099	-	2,420	-	-	-
Noninstructional services	-	-	-	-	-	1,500	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,400	-	-	-	-	-
Total disbursements	<u>130,655</u>	<u>29,499</u>	<u>-</u>	<u>4,420</u>	<u>8,127</u>	<u>1,500</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(24,617)</u>	<u>3,214</u>	<u>-</u>	<u>(2,920)</u>	<u>(2,419)</u>	<u>-</u>	<u>724</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(24,617)</u>	<u>3,214</u>	<u>-</u>	<u>(2,920)</u>	<u>(2,419)</u>	<u>-</u>	<u>724</u>
Cash and investments - ending	<u>\$ 37,715</u>	<u>\$ 3,214</u>	<u>\$ -</u>	<u>\$ 12,541</u>	<u>\$ 1,008</u>	<u>\$ 4</u>	<u>\$ -</u>

NORTH WEST HENDRICKS 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)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Service Club/ Nurturing Environ	Youth as Resources/ United Way	Dollar General Grant - PPS	Student Academic Account	Sale of Property on Osborne
Cash and investments - beginning	\$ 2,130	\$ 13,526	\$ 173	\$ 31	\$ -	\$ 28	\$ 43,845
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	9,533	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	9,533	-	-	-	-	-
Disbursements:							
Instruction	-	-	173	-	-	-	-
Support services	-	2,000	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	2,000	173	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	7,533	(173)	-	-	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(18,573)	-	-	-	-	-
Total other financing sources (uses)	-	(18,573)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,040)	(173)	-	-	-	-
Cash and investments - ending	\$ 2,130	\$ 2,486	\$ -	\$ 31	\$ -	\$ 28	\$ 43,845

NORTH WEST HENDRICKS 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)

	Conect 2000 Grant	Eli Lilly Science Grant	Insurance Claims/ Losses	HPS Account	Title I 12-13	Title I CFDA 84.01A 13-14	Title I CFDA 84.01A 14-15
Cash and investments - beginning	\$ 4,709	\$ 53	\$ -	\$ 14,277	\$ (19,845)	\$ -	\$ -
Receipts:							
Local sources	-	-	15,226	-	-	296	-
Intermediate sources	-	-	-	-	-	-	-
State sources	19,367	-	-	-	-	-	-
Federal sources	-	-	-	-	44,274	51,555	-
Other receipts	-	-	-	-	-	-	-
Total receipts	19,367	-	15,226	-	44,274	51,851	-
Disbursements:							
Instruction	-	-	-	10,974	16,001	68,406	-
Support services	39,584	-	5,915	1,772	4,080	6,485	-
Noninstructional services	-	-	-	-	4,348	908	-
Facilities acquisition and construction	-	-	11,800	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	39,584	-	17,715	12,746	24,429	75,799	-
Excess (deficiency) of receipts over disbursements	(20,217)	-	(2,489)	(12,746)	19,845	(23,948)	-
Other financing sources (uses):							
Transfers in	18,573	-	5,915	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	18,573	-	5,915	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,644)	-	3,426	(12,746)	19,845	(23,948)	-
Cash and investments - ending	\$ 3,065	\$ 53	\$ 3,426	\$ 1,531	\$ -	\$ (23,948)	\$ -

NORTH WEST HENDRICKS 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)

	IDEA	IDEA 12-13	Fed Coop Flow Thru/CFDA 84.027 13-14	Fed Coop Flow Thru/CFDA 84.027 14-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	SPEC Educ- Tech Ast Grant 13-14	Fed Coop /619/ CFDA 84.173A 13-14
Cash and investments - beginning	\$ 95,739	\$ (42,532)	\$ -	\$ -	\$ (35,936)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	113,613	195,199	-	66,652	7,973	7,734
Other receipts	-	-	-	-	-	-	-
Total receipts	-	113,613	195,199	-	66,652	7,973	7,734
Disbursements:							
Instruction	-	71,159	315,362	-	30,716	7,973	7,734
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	71,159	315,362	-	30,716	7,973	7,734
Excess (deficiency) of receipts over disbursements	-	42,454	(120,163)	-	35,936	-	-
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	-	42,454	(120,163)	-	35,936	-	-
Cash and investments - ending	\$ 95,739	\$ (78)	\$ (120,163)	\$ -	\$ -	\$ -	\$ -

NORTH WEST HENDRICKS 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)

	Fed Coop /619/ CFDA 84.173A 14-15	Title II- NCLB Part A 12/13	Title II- NCLB Part A 13/14	Title II- NCLB Part A 14/15	Prepaid Student Accounts	Payroll	Totals
Cash and investments - beginning	\$ -	\$ (9,896)	\$ -	\$ -	\$ -	\$ (25,210)	\$ 4,810,866
Receipts:							
Local sources	-	-	-	-	-	-	10,560,024
Intermediate sources	-	-	-	-	-	-	229
State sources	-	-	-	-	-	-	10,844,276
Federal sources	-	19,156	2,541	-	-	-	707,848
Other receipts	-	-	-	-	51,870	2,281,146	2,339,978
Total receipts	<u>-</u>	<u>19,156</u>	<u>2,541</u>	<u>-</u>	<u>51,870</u>	<u>2,281,146</u>	<u>24,452,355</u>
Disbursements:							
Instruction	7,276	-	-	-	-	-	7,137,245
Support services	-	9,260	12,698	-	-	-	6,978,057
Noninstructional services	-	-	-	-	-	-	1,034,704
Facilities acquisition and construction	-	-	-	-	-	-	305,438
Debt service	-	-	-	-	-	-	6,515,482
Nonprogrammed charges	-	-	-	-	51,870	2,292,111	2,515,589
Total disbursements	<u>7,276</u>	<u>9,260</u>	<u>12,698</u>	<u>-</u>	<u>51,870</u>	<u>2,292,111</u>	<u>24,486,515</u>
Excess (deficiency) of receipts over disbursements	<u>(7,276)</u>	<u>9,896</u>	<u>(10,157)</u>	<u>-</u>	<u>-</u>	<u>(10,965)</u>	<u>(34,160)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	24,488
Transfers out	-	-	-	-	-	-	(24,488)
Total other financing sources (uses)	<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>(7,276)</u>	<u>9,896</u>	<u>(10,157)</u>	<u>-</u>	<u>-</u>	<u>(10,965)</u>	<u>(34,160)</u>
Cash and investments - ending	<u>\$ (7,276)</u>	<u>\$ -</u>	<u>\$ (10,157)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,175)</u>	<u>\$ 4,776,706</u>

NORTH WEST HENDRICKS 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	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,523,589	\$ 1,073,016	\$ 95,552	\$ 201,507	\$ 578,890	\$ 477,568	\$ 775,000	\$ 72,892
Receipts:								
Local sources	46,682	5,951,497	210,390	1,366,949	755,230	1,038,683	-	-
Intermediate sources	17	-	-	-	-	-	-	-
State sources	10,734,266	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	13,002	-	-	-
Total receipts	<u>10,780,965</u>	<u>5,951,497</u>	<u>210,390</u>	<u>1,366,949</u>	<u>768,232</u>	<u>1,038,683</u>	<u>-</u>	<u>-</u>
Disbursements:								
Instruction	6,833,071	-	-	-	-	-	-	80
Support services	4,118,287	-	-	863,907	798,559	875,470	125,000	-
Noninstructional services	185,563	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	173,704	-	-	-	-
Debt service	-	5,558,154	231,677	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>11,136,921</u>	<u>5,558,154</u>	<u>231,677</u>	<u>1,037,611</u>	<u>798,559</u>	<u>875,470</u>	<u>125,000</u>	<u>80</u>
Excess (deficiency) of receipts over disbursements	<u>(355,956)</u>	<u>393,343</u>	<u>(21,287)</u>	<u>329,338</u>	<u>(30,327)</u>	<u>163,213</u>	<u>(125,000)</u>	<u>(80)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	4	-	-	-	-
Transfers out	(1,886)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,886)</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(357,842)</u>	<u>393,343</u>	<u>(21,287)</u>	<u>329,342</u>	<u>(30,327)</u>	<u>163,213</u>	<u>(125,000)</u>	<u>(80)</u>
Cash and investments - ending	<u>\$ 1,165,747</u>	<u>\$ 1,466,359</u>	<u>\$ 74,265</u>	<u>\$ 530,849</u>	<u>\$ 548,563</u>	<u>\$ 640,781</u>	<u>\$ 650,000</u>	<u>\$ 72,812</u>

NORTH WEST HENDRICKS 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)

	School Corporation Construction Fund 2008	School Corporation Construction Fund 2015	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Donations, Gifts and Trusts
Cash and investments - beginning	\$ 23,111	\$ -	\$ 143,242	\$ 330,440	\$ (608,763)	\$ -	\$ 2,212	\$ 1,463
Receipts:								
Local sources	6	-	620,291	281,206	140,627	1,373	-	502
Intermediate sources	-	-	-	-	-	-	169	-
State sources	-	-	14,274	29,745	-	-	-	-
Federal sources	-	-	210,620	-	-	-	-	-
Other receipts	-	-	873	-	-	-	-	-
Total receipts	<u>6</u>	<u>-</u>	<u>846,058</u>	<u>310,951</u>	<u>140,627</u>	<u>1,373</u>	<u>169</u>	<u>502</u>
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	16,920	261,569	-	-	-	-
Noninstructional services	-	-	830,321	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	18,753	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	504	-	-	-
Total disbursements	<u>-</u>	<u>18,753</u>	<u>847,241</u>	<u>261,569</u>	<u>504</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>6</u>	<u>(18,753)</u>	<u>(1,183)</u>	<u>49,382</u>	<u>140,123</u>	<u>1,373</u>	<u>169</u>	<u>502</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	22,384	-	-	-	-	-	-
Transfers in	-	-	-	-	1,886	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>22,384</u>	<u>-</u>	<u>-</u>	<u>1,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6</u>	<u>3,631</u>	<u>(1,183)</u>	<u>49,382</u>	<u>142,009</u>	<u>1,373</u>	<u>169</u>	<u>502</u>
Cash and investments - ending	<u>\$ 23,117</u>	<u>\$ 3,631</u>	<u>\$ 142,059</u>	<u>\$ 379,822</u>	<u>\$ (466,754)</u>	<u>\$ 1,373</u>	<u>\$ 2,381</u>	<u>\$ 1,965</u>

NORTH WEST HENDRICKS 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)

	Renaissance Fund	Adopt A Classroom	2015 Wellness Program Grant	Gift of Property - Sold/Building	Instruction Support 12-13	Extra Circiclar WKRS/TWMS	Tri-West Extra- Circiclar Helpers	Vol Ath Coaches- Donations/ TWHS
Cash and investments - beginning	\$ 5,099	\$ 200	\$ -	\$ 20,010	\$ 53	\$ 74	\$ 518	\$ 739
Receipts:								
Local sources	4,665	951	1,300	-	-	1,890	5,720	2,125
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	4,665	951	1,300	-	-	1,890	5,720	2,125
Disbursements:								
Instruction	607	746	-	-	-	1,890	6,220	1,500
Support services	7,710	-	1,300	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	7,202	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	8,317	746	1,300	7,202	-	1,890	6,220	1,500
Excess (deficiency) of receipts over disbursements	(3,652)	205	-	(7,202)	-	-	(500)	625
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,652)	205	-	(7,202)	-	-	(500)	625
Cash and investments - ending	\$ 1,447	\$ 405	\$ -	\$ 12,808	\$ 53	\$ 74	\$ 18	\$ 1,364

NORTH WEST HENDRICKS 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)

	Custodial Overtime	Scholarships and Awards	Miscellaneous Programs	SIA Foundation Grant 2013	NWH Education Foundation Grant	Donations/ Gifts	Donation- Pittsboro Methodist	One Room Schoolhouse
Cash and investments - beginning	\$ 6,757	\$ 1,250	\$ 37,705	\$ -	\$ -	\$ 310	\$ -	\$ 4,050
Receipts:								
Local sources	2,832	6,012	-	-	20,876	-	500	19,741
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>2,832</u>	<u>6,012</u>	<u>-</u>	<u>-</u>	<u>20,876</u>	<u>-</u>	<u>500</u>	<u>19,741</u>
Disbursements:								
Instruction	-	-	-	-	17,161	-	500	-
Support services	4,039	-	-	-	-	-	-	1,309
Noninstructional services	-	-	-	-	-	-	-	4,709
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	7,000	-	-	-	-	-	-
Total disbursements	<u>4,039</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>17,161</u>	<u>-</u>	<u>500</u>	<u>6,018</u>
Excess (deficiency) of receipts over disbursements	<u>(1,207)</u>	<u>(988)</u>	<u>-</u>	<u>-</u>	<u>3,715</u>	<u>-</u>	<u>-</u>	<u>13,723</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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>(1,207)</u>	<u>(988)</u>	<u>-</u>	<u>-</u>	<u>3,715</u>	<u>-</u>	<u>-</u>	<u>13,723</u>
Cash and investments - ending	<u>\$ 5,550</u>	<u>\$ 262</u>	<u>\$ 37,705</u>	<u>\$ -</u>	<u>\$ 3,715</u>	<u>\$ 310</u>	<u>\$ -</u>	<u>\$ 17,773</u>

NORTH WEST HENDRICKS 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)

	Smithville Charitable Grant	Academic Decathlon	Hendricks Regional Sponsorship	Phi Beta Psi Sorority- Donation	Larry & Jackie Sparks	Lowe's Toolbox Grant May 2015	Youth as Resources/ Sheltering
Cash and investments - beginning	\$ -	\$ 1,203	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	3,500	25	15,000	575	5,333	3,000	909
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>3,500</u>	<u>25</u>	<u>15,000</u>	<u>575</u>	<u>5,333</u>	<u>3,000</u>	<u>909</u>
Disbursements:							
Instruction	3,500	1,043	10,840	-	1,000	-	-
Support services	-	-	-	313	-	-	-
Noninstructional services	-	-	-	-	-	-	909
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>3,500</u>	<u>1,043</u>	<u>10,840</u>	<u>313</u>	<u>1,000</u>	<u>-</u>	<u>909</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,018)</u>	<u>4,160</u>	<u>262</u>	<u>4,333</u>	<u>3,000</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>(1,018)</u>	<u>4,160</u>	<u>262</u>	<u>4,333</u>	<u>3,000</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 4,160</u>	<u>\$ 262</u>	<u>\$ 4,333</u>	<u>\$ 3,000</u>	<u>\$ -</u>

NORTH WEST HENDRICKS 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)

	Instruction Support	Gifted & Talented - 13/14 Grant	Gifted & Talented - 14/15 Grant	Drug Free Communities	Recreational Activities	TW High School Swim Club	X Cur Summer Ath Programs
Cash and investments - beginning	\$ 37,715	\$ 3,214	\$ -	\$ 12,541	\$ 1,008	\$ 4	\$ -
Receipts:							
Local sources	139,860	-	-	2,000	6,386	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	33,141	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>139,860</u>	<u>-</u>	<u>33,141</u>	<u>2,000</u>	<u>6,386</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	114,486	-	-	-	5,958	-	-
Support services	-	3,214	27,597	1,596	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,360	-	-	-	-
Total disbursements	<u>114,486</u>	<u>3,214</u>	<u>28,957</u>	<u>1,596</u>	<u>5,958</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>25,374</u>	<u>(3,214)</u>	<u>4,184</u>	<u>404</u>	<u>428</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>25,374</u>	<u>(3,214)</u>	<u>4,184</u>	<u>404</u>	<u>428</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 63,089</u>	<u>\$ -</u>	<u>\$ 4,184</u>	<u>\$ 12,945</u>	<u>\$ 1,436</u>	<u>\$ 4</u>	<u>\$ -</u>

NORTH WEST HENDRICKS 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)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Service Club/ Nurturing Environ	Youth as Resources/ United Way	Dollar General Grant - PPS	Student Academic Account	Sale of Property on Osborne
Cash and investments - beginning	\$ 2,130	\$ 2,486	\$ -	\$ 31	\$ -	\$ 28	\$ 43,845
Receipts:							
Local sources	-	-	-	-	3,000	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	9,759	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>9,759</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	378	-	-	31	2,922	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>378</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>2,922</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(378)</u>	<u>9,759</u>	<u>-</u>	<u>(31)</u>	<u>78</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>(378)</u>	<u>9,759</u>	<u>-</u>	<u>(31)</u>	<u>78</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,752</u>	<u>\$ 12,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 28</u>	<u>\$ 43,845</u>

NORTH WEST HENDRICKS 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)

	Conect 2000 Grant	Eli Lilly Science Grant	Insurance Claims/ Losses	HPS Account	Title I 12-13	Title I CFDA 84.01A 13-14	Title I CFDA 84.01A 14-15
Cash and investments - beginning	\$ 3,065	\$ 53	\$ 3,426	\$ 1,531	\$ -	\$ (23,948)	\$ -
Receipts:							
Local sources	-	-	22,907	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	25,492	-	-	-	-	-	-
Federal sources	-	-	-	-	-	39,206	35,039
Other receipts	-	-	-	-	-	-	-
Total receipts	25,492	-	22,907	-	-	39,206	35,039
Disbursements:							
Instruction	-	-	-	1,079	-	11,929	47,191
Support services	47,651	-	3,534	-	-	3,213	964
Noninstructional services	-	-	-	-	-	116	-
Facilities acquisition and construction	-	-	22,795	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	47,651	-	26,329	1,079	-	15,258	48,155
Excess (deficiency) of receipts over disbursements	(22,159)	-	(3,422)	(1,079)	-	23,948	(13,116)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(4)	-	-	-	-
Total other financing sources (uses)	-	-	(4)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,159)	-	(3,426)	(1,079)	-	23,948	(13,116)
Cash and investments - ending	\$ (19,094)	\$ 53	\$ -	\$ 452	\$ -	\$ -	\$ (13,116)

NORTH WEST HENDRICKS 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)

	IDEA	IDEA 12-13	Fed Coop Flow Thru/CFDA 84.027 13-14	Fed Coop Flow Thru/CFDA 84.027 14-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	SPEC Educ- Tech Ast Grant 13-14	Fed Coop /619/ CFDA 84.173A 13-14
Cash and investments - beginning	\$ 95,739	\$ (78)	\$ (120,163)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	78	151,077	175,880	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	78	151,077	175,880	-	-	-
Disbursements:							
Instruction	-	-	30,914	237,273	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	30,914	237,273	-	-	-
Excess (deficiency) of receipts over disbursements	-	78	120,163	(61,393)	-	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	78	120,163	(61,393)	-	-	-
Cash and investments - ending	\$ 95,739	\$ -	\$ -	\$ (61,393)	\$ -	\$ -	\$ -

NORTH WEST HENDRICKS 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)

	Fed Coop /619/ CFDA 84.173A 14-15	Title II- NCLB Part A 12/13	Title II- NCLB Part A 13/14	Title II- NCLB Part A 14/15	Prepaid Student Accounts	Payroll	Totals
Cash and investments - beginning	\$ (7,276)	\$ -	\$ (10,157)	\$ -	\$ -	\$ (36,175)	\$ 4,776,706
Receipts:							
Local sources	-	-	-	-	-	-	10,682,543
Intermediate sources	-	-	-	-	-	-	186
State sources	-	-	-	-	-	-	10,846,677
Federal sources	7,276	-	23,096	-	-	-	642,272
Other receipts	-	-	-	-	49,217	2,320,866	2,383,958
Total receipts	<u>7,276</u>	<u>-</u>	<u>23,096</u>	<u>-</u>	<u>49,217</u>	<u>2,320,866</u>	<u>24,555,636</u>
Disbursements:							
Instruction	-	-	-	-	-	-	7,330,319
Support services	-	-	12,939	12,626	-	-	7,187,717
Noninstructional services	-	-	-	-	-	-	1,021,618
Facilities acquisition and construction	-	-	-	-	-	-	203,701
Debt service	-	-	-	-	-	-	5,808,584
Nonprogrammed charges	-	-	-	-	49,217	2,317,039	2,375,120
Total disbursements	<u>-</u>	<u>-</u>	<u>12,939</u>	<u>12,626</u>	<u>49,217</u>	<u>2,317,039</u>	<u>23,927,059</u>
Excess (deficiency) of receipts over disbursements	<u>7,276</u>	<u>-</u>	<u>10,157</u>	<u>(12,626)</u>	<u>-</u>	<u>3,827</u>	<u>628,577</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	22,384
Transfers in	-	-	-	-	-	-	1,890
Transfers out	-	-	-	-	-	-	(1,890)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,384</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,276</u>	<u>-</u>	<u>10,157</u>	<u>(12,626)</u>	<u>-</u>	<u>3,827</u>	<u>650,961</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,626)</u>	<u>\$ -</u>	<u>\$ (32,348)</u>	<u>\$ 5,427,667</u>

(This page intentionally left blank.)

NORTH WEST HENDRICKS 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>\$ 706,302</u>	<u>\$ -</u>

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
North West Hendricks Middle School Building Corproation	Tri-West Middle School Building	\$ 470,000	7/15/2015	1/15/2027
North West Hendricks Multi-School Building Corporation	Pittsboro Elementary School Building	404,500	1/15/2006	7/15/2017
North West Hendricks Multi-School Building Corporation	School Buildings/Administration Office	<u>3,852,000</u>	12/15/2008	12/15/2030
Total governmental activities		<u>4,726,500</u>		
Total of annual lease payments		<u>\$ 4,726,500</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Common School Loans	\$ 508,098	\$ 96,645
General obligation bonds	Pension Bonds	<u>965,000</u>	<u>224,672</u>
Total governmental activities		<u>1,473,098</u>	<u>321,317</u>
Totals		<u>\$ 1,473,098</u>	<u>\$ 321,317</u>

NORTH WEST HENDRICKS 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	\$ 850,602
Buildings	61,120,317
Improvements other than buildings	14,087,719
Machinery, equipment, and vehicles	3,781,431
Total governmental activities	79,840,069
Total capital assets	\$ 79,840,069

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the North West Hendricks 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. Except as discussed in the following paragraph, 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.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2015-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Child Nutrition Cluster regarding Program Income, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on the Other 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 its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002 and 2015-005. Our opinion on the major federal program was not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

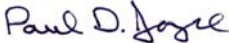
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses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

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

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, 2015-004, and 2015-005 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

July 24, 2017

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.

(This page intentionally left blank.)

NORTH WEST HENDRICKS 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	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster	Indiana Department of Education						
School Breakfast Program		10.553	FY 2013-2014 FY 2014-2015	\$ -	\$ 26,767	\$ -	\$ -
				-	-	-	33,590
Total - School Breakfast Program				-	26,767	-	33,590
National School Lunch Program	Indiana Department of Education	10.555	FY 2013-2014 FY 2014-2015	-	172,384	-	-
National School Lunch Program - Commodities				-	58,273	-	177,029
				-	-	-	54,239
Total - National School Breakfast Program				-	230,657	-	231,268
Total - Child Nutrition Cluster				-	257,424	-	264,858
Total - Department of Agriculture				-	257,424	-	264,858
<u>Department of Education</u>							
Special Education Cluster (IDEA)	Indiana Department of Education	84.027					
Special Education_Grants to States							
FY 2013			14213-099-PN01	-	113,613	-	-
FY 2014			14214-099-PN01	-	195,199	-	151,077
FY 2015			14215-099-PN01	-	-	-	175,880
Special Education Improvement Grant			A58-3-13DL-1486	-	66,652	-	-
Special Education Technical Assistance Grant			99914-99-TA01	-	7,973	-	-
Total - Special Education_Grants to States				-	383,437	-	326,957
Special Education_Preschool Grants	Indiana Department of Education	84.173					
FY 2014			45714-099-PN01	-	7,734	-	-
FY 2015			45715-099-PN01	-	-	-	7,276
Total - Special Education_Preschool Grants				-	7,734	-	7,276
Total - Special Education Cluster (IDEA)				-	391,171	-	334,233
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Grants to Local Educational Agencies							
			13-3295	-	44,274	-	-
			14-3295	-	51,555	-	39,206
			15-3295	-	-	-	35,039
Total - Title I Grants to Local Educational Agencies				-	95,829	-	74,245
Supporting Effective Instruction State Grant	Indiana Department of Education	84.367	FY 2012-2013 FY 2013-2014	-	19,156	-	-
				-	2,541	-	23,096
Total - Supporting Effective Instruction State Grant				-	21,697	-	23,096
Total - Department of Education				-	508,697	-	431,574
Total federal awards expended				\$ -	\$ 766,121	\$ -	\$ 696,432

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

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

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.

NORTH WEST HENDRICKS 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:	Qualified as to Child Nutrition Cluster; Unmodified as to Special Education Cluster
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:

Name of Federal Program or Cluster
Child Nutrition Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer entered and submitted federal award information into the Indiana Gateway for Government Units (Gateway), which is a financial system and the source of the School Corporation's SEFA. There was no evidence of a control process by the School Corporation to ensure federal awards information entered and submitted into Gateway was correct.

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The following errors occurred on the SEFA:

- The Non-cash assistance for the Child Nutrition Cluster was understated in the amount of \$58,273 and \$54,239 for the 2013-2014 and 2014-2015 school years, respectively.
- The Special Education_Grants to States were understated in the amount of \$74,625 for the 2013-2014 school year. This was due to the Special Education Improvement Grant and the Special Education Technical Assistance Grant not being included.
- The Special Education - Preschool Grants were understated in the amounts of \$7,734 and \$7,276 for the 2013-2014 and 2014-2015 school years, respectively.
- The Title I Grants to Local Educational Agencies were overstated in the amount of \$296.
- The Supporting Effective Instruction State Grant was understated in the amount of \$2,541 and overstated in the amount of \$12,626 for the 2013-2014 and 2014-2015 school year, respectively.

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. . . ."

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a 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

The failure to establish internal controls enabled material misstatements of the SEFA to occur.

Views of Responsible Officials

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

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002 - ELIGIBILITY

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 2013-2014, FY 2014-2015
Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the determination of the applications for free or reduced priced meals were proper. An internal control process had not been established. The Food Service Director was the sole person responsible for determining eligibility of applications filed.

The School Corporation did not properly determine eligibility for 6 of the 60 free and reduced priced school meals applications tested.

Context

The lack of controls and noncompliance was a systemic issue 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. . . ."

7 CFR 245.6(c)(4) states:

"*Calculating income.* The local educational agency must use the income information provided by the household on the application to calculate the household's total current income. When a household submits an application containing complete documentation, as defined in § 245.2 and the household's total current income is at or below the eligibility limits specified in the Income Eligibility Guidelines as defined in § 245.2 the children in that household must be approved for free or reduced price benefits, as applicable."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with Eligibility requirements.

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled noncompliance to occur. Non-compliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

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 Eligibility compliance requirement. In addition, we recommended that the School Corporation comply with the Eligibility compliance requirement.

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 - INTERNAL CONTROL OVER CHILD NUTRITION CLUSTER

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 2013-2014, FY 2014-2015
Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting.

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirements. There were no controls in place to ensure that purchases from contracted vendor invoices were for allowable activities and costs. There was no tangible evidence of the Assistant Superintendent of Schools' review of the invoices provided by the Food Service Management Company.

Cash Management

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Cash Management requirements. There were no controls in place to ensure that monthly balances were in compliance with the 3 months average expenditure requirement.

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Reporting

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with Reporting requirements. There were no controls in place to ensure that required reports were accurate.

Context

Internal control issues were systemic 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 to ensure compliance with the requirements listed above.

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.

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.

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 - PROGRAM INCOME

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 2013-2014, FY 2014-2015

Pass-Through Entity: Indiana Department of Education

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

It could not be determined if the School Corporation complied with requirements for accounting of program income generated from the operation of the food service program. All monthly receipts from sales, as well as prepaid food advance deposits, were recorded directly in the School Lunch fund; prepayments were not recorded in a Prepaid Student Accounts fund. Due to the method of recordkeeping, the requirements for the Program Income compliance requirement could not be verified for either school year.

Context

The lack of controls was a systemic problem throughout the audit period. Records were not available to determine compliance with the Program Income requirements for either year.

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. . . ."

7 CFR 3016.20 (b)(2) states:

"*Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

Cause

Management had not developed a system of internal controls to verify that program income was properly recorded within the School Corporation ledger.

Effect

The lack of recordkeeping and documentation available for audit prevented the determination of the School Corporation's compliance with the grant agreement and the Program Income compliance requirement.

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 Program Income compliance requirement. In addition, we recommended that the School Corporation properly account for and maintain documentation related to program income.

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2015-005 - ALLOWABLE COSTS/COST PRINCIPLES

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): 14213-099-PN01, 14214-099-PN01,
14215-099-PN01

Pass-Through Entity: Indiana Department of Education.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation did not keep Semi-Annual Certifications or Personnel Activity Reports for employees who worked on activities or programs in addition to the Special Education programs.

Context

The lack of controls and noncompliance was a systemic problem 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. . . ."

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

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,

NORTH WEST HENDRICKS SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to occur. Non-compliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

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 Allowable Costs/Cost Principles compliance requirement. In addition, we recommended that the School Corporation maintain Semi-Annual Certifications and Personnel Activity Reports for employees.

Views of Responsible Officials

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

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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

NORTH WEST HENDRICKS SCHOOL CORPORATION

104 N. Church St. P.O. Box 70 Lizton, IN 46149-0070
(317) 994-4100 Fax (317) 994-5963

Richard G. King
Superintendent of Schools

Ronald L. Ward
Assistant Superintendent



Summary Schedule of Prior Audit Findings

FINDING 2013-003

Fiscal Year in which the finding initially occurred: FY 2011-12 & FY 2012-13

Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Director of Food Service: Sherri Lane
Contact Phone Number: 317-460-2506

Status of Audit Finding:

After the last audit the Director of Food Service will send over the submitted school lunch reports for the Corporation Treasurer to review.

FINDING 2013-004-

Fiscal Year in which the finding initially occurred: FY 2011-12 & FY 2012-13
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Director of Food Service: Sherri Lane
Contact Phone Number: 317-460-2506

Status of Audit Finding:

The Director of Food Services is now aware of the November 15th deadline each year for the Verification of Free and Reduced Applications.

Corporation Treasurer

5/30/17

Board of School Trustees

Connie L. Bowman
President

Brad Williams
Vice President

Cindy Griffith
Secretary

Jim Diagostino
Member

Craig Peoples
Member

NORTH WEST HENDRICKS SCHOOL CORPORATION

104 N. Church St. P.O. Box 70 Lizton, IN 46149-0070
(317) 994-4100 Fax (317) 994-5963

Mike Springer
Superintendent

Dave Hobaugh
Business Manager



CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Kristina James

Contact Phone Number: 317-994-4107

Views of Responsible Official: The Schedule of the Expenditures of Federal Grants was indeed completed incorrectly.

Description of Corrective Action Plan: Going forward the Corporation Treasurer will complete the Schedule of Expenditures of Federal Grants and will have the Business Manager verify the totals before submitting the report.

Anticipated Completion Date: Corrective action with the next period reporting.

FINDING 2015-002

Contact Person Responsible for Corrective Action: Kristina James

Contact Phone Number: 317-994-4107

Views of Responsible Official: It was confirmed that an effective internal control was not in place to ensure segregation of duties.

Description of Corrective Action Plan: Going forward the Food Service Director will determine the eligibility with the principals at the corresponding schools verifying the determination.

Anticipated Completion Date: July 31, 2017

FINDING 2015-003

Contact Person Responsible for Corrective Action: Kristina James

Contact Phone Number: 317-994-4107

Views of Responsible Official: It was confirmed that an effective internal control policy was not in place to ensure compliance with the requirements for the grant.

Description of Corrective Action Plan: Going forward the Business Manager will review all contracted vendor invoices before being paid.

Anticipated Completion Date: July 31, 2017

FINDING 2015-004

Contact Person Responsible for Corrective Action: Kristina James

Contact Phone Number: 317-994-4107

Views of Responsible Official: It was confirmed that the prepaid lunch account has not been used correctly in the corporation.

Description of Corrective Action Plan: The procedures for processing the prepaid lunch accounts have been updated and are correct going forward.

Anticipated Completion Date: July 31, 2017

FINDING 2015-005

Contact Person Responsible for Corrective Action: Kristina James

Contact Phone Number: 317-994-4107

Views of Responsible Official: It was confirmed that the time and effort logs were not kept like they should have been.

Description of Corrective Action Plan: Going forward the time and effort logs will be completed beginning with the 2017-2018 school year.

Anticipated Completion Date: 2017-2018 school year

Kristina James
(Signature)

Corporation Treasurer
(Title)

7/24/17
(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/>.