

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

EXAMINATION REPORT  
OF  
NETTLE CREEK SCHOOL CORPORATION  
WAYNE COUNTY, INDIANA  
July 1, 2005 to June 30, 2007



**FILED**  
02/29/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Judy Cole	07-01-05 to 06-30-08
Superintendent of Schools	Joe Backmeyer	07-01-05 to 06-30-08
President of the School Board	Paul Weiss	07-01-05 to 06-30-08



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302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NETTLE CREEK SCHOOL CORPORATION, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of Nettle Creek School Corporation (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

November 21, 2007

NETTLE CREEK SCHOOL CORPORATION  
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Totals
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 4,000,622	\$ -	\$ 58,021	\$ (3,942,601)
Support services	5,518,232	505,030	158,894	(4,854,308)
Community services	131,062	-	-	(131,062)
Nonprogrammed charges	784,788	-	-	(784,788)
Debt service	1,290,805	-	-	(1,290,805)
 Total governmental activities	 \$ 11,725,509	 \$ 505,030	 \$ 216,915	 (11,003,564)
General receipts:				
Property taxes				3,908,537
Other local sources				676,422
State aid				5,453,793
Grants and contributions not restricted to specific programs				431,349
Sale of property, adjustments, and refunds				45,480
Investment earnings				85,957
Total general receipts				10,601,538
Change in net assets				(402,026)
Net assets - beginning				3,086,373
Net assets - ending				\$ 2,684,347
 <u>Assets</u>				
Cash and investments				\$ 2,222,471
Restricted assets:				
Cash and investments				461,876
Total assets				\$ 2,684,347
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 461,876
Unrestricted				2,222,471
Total net assets				\$ 2,684,347

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

NETTLE CREEK SCHOOL CORPORATION  
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

Functions/Programs	Disbursements	Program Receipts		Totals
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 3,866,256	\$ -	\$ 97,498	\$ (3,768,758)
Support services	4,990,715	489,593	157,337	(4,343,785)
Community services	130,879	-	-	(130,879)
Nonprogrammed charges	788,137	-	-	(788,137)
Debt service	<u>1,265,592</u>	-	-	<u>(1,265,592)</u>
 Total governmental activities	 <u>\$ 11,041,579</u>	 <u>\$ 489,593</u>	 <u>\$ 254,835</u>	 <u>(10,297,151)</u>
				General receipts:
				Property taxes 2,600,344
				Other local sources 531,055
				State aid 5,429,224
				Grants and contributions not restricted to specific programs 466,277
				Sale of property, adjustments, and refunds 76,822
				Investment earnings <u>106,180</u>
				 Total general receipts <u>9,209,902</u>
				 Change in net assets (1,087,249)
				 Net assets - beginning <u>2,684,347</u>
				 Net assets - ending <u>\$ 1,597,098</u>
 <u>Assets</u>				
Cash and investments				\$ 1,608,538
Restricted assets:				
Cash and investments				<u>(11,440)</u>
Total assets				<u>\$ 1,597,098</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ (11,440)
Unrestricted				<u>1,608,538</u>
Total net assets				<u>\$ 1,597,098</u>

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

NETTLE CREEK SCHOOL CORPORATION  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 2,108,706	\$ 487,182	\$ 1,159,604	\$ 780,811	\$ 124,663	\$ 513,928	\$ 5,174,894
Intermediate sources	375	-	-	-	-	675	1,050
State sources	5,499,467	-	-	-	-	196,049	5,695,516
Federal sources	-	-	-	-	-	406,542	406,542
Sale of property, adjustments and refunds	3,099	1,643	-	32,244	-	8,495	45,481
<b>Total receipts</b>	<u>7,611,647</u>	<u>488,825</u>	<u>1,159,604</u>	<u>813,055</u>	<u>124,663</u>	<u>1,125,689</u>	<u>11,323,483</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,627,671	-	-	-	-	372,951	4,000,622
Support services	3,056,490	593,257	-	838,028	131,979	898,478	5,518,232
Community services	130,381	-	-	-	-	681	131,062
Nonprogrammed charges	784,788	-	-	-	-	-	784,788
Debt services	-	-	1,224,096	66,709	-	-	1,290,805
<b>Total disbursements</b>	<u>7,599,330</u>	<u>593,257</u>	<u>1,224,096</u>	<u>904,737</u>	<u>131,979</u>	<u>1,272,110</u>	<u>11,725,509</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>12,317</u>	<u>(104,432)</u>	<u>(64,492)</u>	<u>(91,682)</u>	<u>(7,316)</u>	<u>(146,421)</u>	<u>(402,026)</u>
<b>Other financing sources (uses):</b>							
Transfers in	26,394	139,288	-	-	-	70,487	236,169
Transfers out	(75,264)	-	(109,288)	-	-	(51,617)	(236,169)
<b>Total other financing sources (uses)</b>	<u>(48,870)</u>	<u>139,288</u>	<u>(109,288)</u>	<u>-</u>	<u>-</u>	<u>18,870</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(36,553)</u>	<u>34,856</u>	<u>(173,780)</u>	<u>(91,682)</u>	<u>(7,316)</u>	<u>(127,551)</u>	<u>(402,026)</u>
<b>Cash and investments - beginning</b>	<u>1,105,207</u>	<u>109,905</u>	<u>635,656</u>	<u>793,523</u>	<u>82,817</u>	<u>359,265</u>	<u>3,086,373</u>
<b>Cash and investments - ending</b>	<u>\$ 1,068,654</u>	<u>\$ 144,761</u>	<u>\$ 461,876</u>	<u>\$ 701,841</u>	<u>\$ 75,501</u>	<u>\$ 231,714</u>	<u>\$ 2,684,347</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,068,654	\$ 144,761	\$ -	\$ 701,841	\$ 75,501	\$ 231,714	\$ 2,222,471
Restricted assets:							
Cash and investments	-	-	461,876	-	-	-	461,876
<b>Total cash and investment assets - ending</b>	<u>\$ 1,068,654</u>	<u>\$ 144,761</u>	<u>\$ 461,876</u>	<u>\$ 701,841</u>	<u>\$ 75,501</u>	<u>\$ 231,714</u>	<u>\$ 2,684,347</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 461,876	\$ -	\$ -	\$ -	\$ 461,876
Unrestricted	1,068,654	144,761	-	701,841	75,501	231,714	2,222,471
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,068,654</u>	<u>\$ 144,761</u>	<u>\$ 461,876</u>	<u>\$ 701,841</u>	<u>\$ 75,501</u>	<u>\$ 231,714</u>	<u>\$ 2,684,347</u>

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

NETTLE CREEK SCHOOL CORPORATION  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,433,428	\$ 339,212	\$ 797,287	\$ 568,970	\$ 68,481	\$ 518,374	\$ 3,725,752
Intermediate sources	294	-	-	-	-	1,125	1,419
State sources	5,514,436	-	-	-	-	304,228	5,818,664
Federal sources	-	-	-	-	-	331,672	331,672
Sale of property, adjustments and refunds	19,693	1,903	-	52,161	-	3,064	76,821
<b>Total receipts</b>	<b>6,967,851</b>	<b>341,115</b>	<b>797,287</b>	<b>621,131</b>	<b>68,481</b>	<b>1,158,463</b>	<b>9,954,328</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,607,249	-	-	-	-	259,007	3,866,256
Support services	3,007,443	592,945	-	594,576	-	795,751	4,990,715
Community services	130,707	-	-	-	-	172	130,879
Nonprogrammed charges	788,136	-	-	-	-	-	788,136
Debt services	-	-	1,265,591	-	-	-	1,265,591
<b>Total disbursements</b>	<b>7,533,535</b>	<b>592,945</b>	<b>1,265,591</b>	<b>594,576</b>	<b>-</b>	<b>1,054,930</b>	<b>11,041,577</b>
Excess (deficiency) of receipts over disbursements	(565,684)	(251,830)	(468,304)	26,555	68,481	103,533	(1,087,249)
<b>Other financing sources (uses):</b>							
Transfers in	129,555	-	-	-	-	25,149	154,704
Transfers out	(8,191)	(2,139)	(5,012)	(3,599)	(432)	(135,331)	(154,704)
<b>Total other financing sources (uses)</b>	<b>121,364</b>	<b>(2,139)</b>	<b>(5,012)</b>	<b>(3,599)</b>	<b>(432)</b>	<b>(110,182)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(444,320)	(253,969)	(473,316)	22,956	68,049	(6,649)	(1,087,249)
Cash and investments - beginning	1,068,654	144,761	461,876	701,841	75,501	231,714	2,684,347
Cash and investments - ending	\$ 624,334	\$ (109,208)	\$ (11,440)	\$ 724,797	\$ 143,550	\$ 225,065	\$ 1,597,098
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 624,334	\$ (109,208)	\$ -	\$ 724,797	\$ 143,550	\$ 225,065	\$ 1,608,538
Restricted assets:							
Cash and investments	-	-	(11,440)	-	-	-	(11,440)
<b>Total cash and investment assets - ending</b>	<b>\$ 624,334</b>	<b>\$ (109,208)</b>	<b>\$ (11,440)</b>	<b>\$ 724,797</b>	<b>\$ 143,550</b>	<b>\$ 225,065</b>	<b>\$ 1,597,098</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ (11,440)	\$ -	\$ -	\$ -	\$ (11,440)
Unrestricted	624,334	(109,208)	-	724,797	143,550	225,065	1,608,538
<b>Total cash and investment fund balance - ending</b>	<b>\$ 624,334</b>	<b>\$ (109,208)</b>	<b>\$ (11,440)</b>	<b>\$ 724,797</b>	<b>\$ 143,550</b>	<b>\$ 225,065</b>	<b>\$ 1,597,098</b>

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

NETTLE CREEK SCHOOL CORPORATION  
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2006

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 1,200
Deductions:	
Administrative and general	1,665
Deficiency of total additions over total deductions	(465)
Cash and investment fund balance - beginning	1,747
Cash and investment fund balance - ending	\$ 1,282
Net assets:	
Cash and investments	\$ 1,282

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

NETTLE CREEK SCHOOL CORPORATION  
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2007

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 1,400
Deductions:	
Administrative and general	1,681
Deficiency of total additions over total deductions	(281)
Cash and investment fund balance - beginning	1,282
Cash and investment fund balance - ending	\$ 1,001
Net assets:	
Cash and investments	\$ 1,001

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

NETTLE CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Information

Government-Wide Financial Schedules

The Schedule of Activities and Net Assets - Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Schedules

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds are reported as separate columns in the fund financial schedules.

The School Corporation reports the following major governmental funds:

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

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

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

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

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

NETTLE CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Additionally, the School Corporation reports the following fund types:

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

**B. Measurement Focus and Basis of Accounting**

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial schedules.

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

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

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

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

**Note 3. Budgets**

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

**Note 4. Property Taxes**

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15.

NETTLE CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

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

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

Note 6. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
General Fund	Transportation Operating	\$ 30,000	\$ -
General Fund	Other governmental	45,264	8,191
Debt Service	Transportation Operating	109,288	-
Debt Service	Other governmental	-	5,012
Capital Projects	Other governmental	-	3,599
Transportation Operating	Other governmental	-	2,139
School Bus Replacement	Other governmental	-	432
Other governmental	General Fund	26,394	129,555
Other governmental	Other governmental	25,223	5,776
		<u>236,169</u>	<u>154,704</u>
Totals		<u>\$ 236,169</u>	<u>\$ 154,704</u>

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

NETTLE CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 7. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

NETTLE CREEK SCHOOL CORPORATION  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

Note 8. Subsequent Event

Swimming Pool Renovation

The School Corporation has entered into a contract for swimming pool renovation in the amount of \$161,458. The project is being funded from appropriations in the Capital Projects Fund and from funds remaining from a 2005 Nettle Creek School Building Corporation bond issue. The amount expected to be paid from the Capital Projects Fund is approximately \$121,000.

NETTLE CREEK SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 843,849	\$ 881,759	\$ (37,910)	96%	\$ 848,113	(4%)
07-01-05	882,360	968,043	(85,683)	91%	830,075	(10%)
07-01-06	1,050,828	919,185	131,643	114%	719,789	18%

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

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plate	Gifted and Talented Fy 05-06	Gifted and Talented Fy 04-05
Receipts:							
Local sources	\$ 5,348	\$ 351,476	\$ 153,554	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	675	-	-
State sources	69,333	6,937	15,116	-	-	12,544	-
Federal sources	-	136,842	-	-	-	-	-
Sale of property, adjustments and refunds	-	320	553	-	-	-	-
<b>Total receipts</b>	<b>74,681</b>	<b>495,575</b>	<b>169,223</b>	<b>-</b>	<b>675</b>	<b>12,544</b>	<b>-</b>
Disbursements:							
Current:							
Instruction	72,826	-	-	-	500	8,949	1,712
Support services	-	505,146	193,835	-	-	288	4
Community services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>72,826</b>	<b>505,146</b>	<b>193,835</b>	<b>-</b>	<b>500</b>	<b>9,237</b>	<b>1,716</b>
Excess (deficiency) of receipts over disbursements	1,855	(9,571)	(24,612)	-	175	3,307	(1,716)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,855	(9,571)	(24,612)	-	175	3,307	(1,716)
Cash and investments - beginning	39,347	(115,361)	75,848	75,171	6,131	-	1,716
Cash and investments - ending	\$ 41,202	\$ (124,932)	\$ 51,236	\$ 75,171	\$ 6,306	\$ 3,307	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 41,202	\$ (124,932)	\$ 51,236	\$ 75,171	\$ 6,306	\$ 3,307	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ 41,202	\$ (124,932)	\$ 51,236	\$ 75,171	\$ 6,306	\$ 3,307	\$ -

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

	Common School Fund Tech Loan	Non-English Speaking Program	School Technology	Region 9 School to Word Grant	ISAI Grant	Biology Pilot Program	R.E.A.C.H.
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	44	-	-	1,500	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	44	-	-	1,500	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	4,000	-
Support services	14,931	-	-	-	655	306	-
Community services	-	-	-	-	-	-	-
Total disbursements	14,931	-	-	-	655	4,306	-
Excess (deficiency) of receipts over disbursements	(14,931)	44	-	-	845	(4,306)	-
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	(14,931)	44	-	-	845	(4,306)	-
Cash and investments - beginning	-	24	20,072	2,336	-	23,420	3,338
Cash and investments - ending	<u>\$ (14,931)</u>	<u>\$ 68</u>	<u>\$ 20,072</u>	<u>\$ 2,336</u>	<u>\$ 845</u>	<u>\$ 19,114</u>	<u>\$ 3,338</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ (14,931)</u>	<u>\$ 68</u>	<u>\$ 20,072</u>	<u>\$ 2,336</u>	<u>\$ 845</u>	<u>\$ 19,114</u>	<u>\$ 3,338</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ (14,931)</u>	<u>\$ 68</u>	<u>\$ 20,072</u>	<u>\$ 2,336</u>	<u>\$ 845</u>	<u>\$ 19,114</u>	<u>\$ 3,338</u>

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

	Riverside Award Student Testing	ASAI Grant	Cape Grant	Title I Fy 05-06	Title I Fy 04-05	Title I School Improvement Fy 05-06	Title I School Improvement Fy 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ 3,550	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	88,575	-	-	-	-	-
Federal sources	-	-	-	140,796	-	7,216	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>88,575</b>	<b>3,550</b>	<b>140,796</b>	<b>-</b>	<b>7,216</b>	<b>-</b>
Disbursements:							
Current:							
Instruction	-	88,575	-	104,478	12,436	2,376	4,191
Support services	-	-	3,538	7,650	3,750	2,823	29
Community services	-	-	-	681	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>88,575</b>	<b>3,538</b>	<b>112,809</b>	<b>16,186</b>	<b>5,199</b>	<b>4,220</b>
Excess (deficiency) of receipts over disbursements	-	-	12	27,987	(16,186)	2,017	(4,220)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	12	27,987	(16,186)	2,017	(4,220)
Cash and investments - beginning	243	-	-	-	16,186	-	4,220
Cash and investments - ending	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 27,987</u>	<u>\$ -</u>	<u>\$ 2,017</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 27,987</u>	<u>\$ -</u>	<u>\$ 2,017</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 27,987</u>	<u>\$ -</u>	<u>\$ 2,017</u>	<u>\$ -</u>

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

	Title V Fy 05-06	Title V Fy 04-05	Drug Free Schools Fy 04-05	Drug Free Schools Fy 03-04	Project Lead the Way Fy 05-06	Project Lead the Way Fy 04-05	Highschool to Work Grant Fy 03-04
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	3,958	6,118	-	-	-	12,567	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>3,958</b>	<b>6,118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,567</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	1,367	3,586	6,000	12,471	-
Support services	1,995	6,118	138	26	-	96	902
Community services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,995</b>	<b>6,118</b>	<b>1,505</b>	<b>3,612</b>	<b>6,000</b>	<b>12,567</b>	<b>902</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,963</b>	<b>-</b>	<b>(1,505)</b>	<b>(3,612)</b>	<b>(6,000)</b>	<b>-</b>	<b>(902)</b>
<b>Other financing sources (uses):</b>							
Transfers in	11,223	-	-	-	45,264	-	-
Transfers out	-	-	-	-	-	(26,394)	-
<b>Total other financing sources (uses)</b>	<b>11,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,264</b>	<b>(26,394)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>13,186</b>	<b>-</b>	<b>(1,505)</b>	<b>(3,612)</b>	<b>39,264</b>	<b>(26,394)</b>	<b>(902)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,612</b>	<b>-</b>	<b>26,394</b>	<b>902</b>
<b>Cash and investments - ending</b>	<b>\$ 13,186</b>	<b>\$ -</b>	<b>\$ (1,505)</b>	<b>\$ -</b>	<b>\$ 39,264</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Assets - Ending</b>							
<b>Cash and investments</b>	<b>\$ 13,186</b>	<b>\$ -</b>	<b>\$ (1,505)</b>	<b>\$ -</b>	<b>\$ 39,264</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Unrestricted</b>	<b>\$ 13,186</b>	<b>\$ -</b>	<b>\$ (1,505)</b>	<b>\$ -</b>	<b>\$ 39,264</b>	<b>\$ -</b>	<b>\$ -</b>

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

	Highschool to Work Grant Fy 04-05	Highschool to Work Grant Fy 05-06	School To Work Development	Title II Part A	Title II Part D	Bus Maintenance Building Construction	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 513,928
Intermediate sources	-	-	-	-	-	-	675
State sources	-	2,000	-	-	-	-	196,049
Federal sources	-	-	-	92,960	6,085	-	406,542
Sale of property, adjustments and refunds	-	-	-	-	-	7,622	8,495
<b>Total receipts</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>92,960</b>	<b>6,085</b>	<b>7,622</b>	<b>1,125,689</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	49,484	-	-	372,951
Support services	2,359	406	-	19,074	952	133,457	898,478
Community services	-	-	-	-	-	-	681
<b>Total disbursements</b>	<b>2,359</b>	<b>406</b>	<b>-</b>	<b>68,558</b>	<b>952</b>	<b>133,457</b>	<b>1,272,110</b>
Excess (deficiency) of receipts over disbursements	(2,359)	1,594	-	24,402	5,133	(125,835)	(146,421)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	14,000	-	70,487
Transfers out	-	-	-	(25,223)	-	-	(51,617)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,223)</b>	<b>14,000</b>	<b>-</b>	<b>18,870</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,359)	1,594	-	(821)	19,133	(125,835)	(127,551)
Cash and investments - beginning	2,500	-	1,139	46,122	70	125,835	359,265
Cash and investments - ending	\$ 141	\$ 1,594	\$ 1,139	\$ 45,301	\$ 19,203	\$ -	\$ 231,714
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 141	\$ 1,594	\$ 1,139	\$ 45,301	\$ 19,203	\$ -	\$ 231,714
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ 141	\$ 1,594	\$ 1,139	\$ 45,301	\$ 19,203	\$ -	\$ 231,714

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

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plate	Early Intervention Grant
Receipts:						
Local sources	\$ 3,732	\$ 349,296	\$ 140,296	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	1,125	-
State sources	74,087	7,007	14,567	-	-	2,000
Federal sources	-	135,763	-	-	-	-
Sale of property, adjustments and refunds	-	2,287	777	-	-	-
<b>Total receipts</b>	<b>77,819</b>	<b>494,353</b>	<b>155,640</b>	<b>-</b>	<b>1,125</b>	<b>2,000</b>
Disbursements:						
Current:						
Instruction	72,900	-	-	-	2,089	-
Support services	-	496,349	112,500	-	-	2,000
Community services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>72,900</b>	<b>496,349</b>	<b>112,500</b>	<b>-</b>	<b>2,089</b>	<b>2,000</b>
Excess (deficiency) of receipts over disbursements	4,919	(1,996)	43,140	-	(964)	-
Other financing sources (uses):						
Transfers in	-	-	-	19,396	-	-
Transfers out	(9,140)	-	-	(75,171)	-	-
<b>Total other financing sources (uses)</b>	<b>(9,140)</b>	<b>-</b>	<b>-</b>	<b>(55,775)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,221)	(1,996)	43,140	(55,775)	(964)	-
Cash and investments - beginning	41,202	(124,932)	51,236	75,171	6,306	-
Cash and investments - ending	<u>\$ 36,981</u>	<u>\$ (126,928)</u>	<u>\$ 94,376</u>	<u>\$ 19,396</u>	<u>\$ 5,342</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 36,981</u>	<u>\$ (126,928)</u>	<u>\$ 94,376</u>	<u>\$ 19,396</u>	<u>\$ 5,342</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 36,981</u>	<u>\$ (126,928)</u>	<u>\$ 94,376</u>	<u>\$ 19,396</u>	<u>\$ 5,342</u>	<u>\$ -</u>

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

	Gifted and Talented Fy 05-06	Gifted and Talented Fy 06-07	Common School Fund Tech Loan	Vectron Bright Ideas Grant	Non-English Speaking Program	School Technology
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	12,544	120,800	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>12,544</b>	<b>120,800</b>	<b>500</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,184	7,240	-	482	-	-
Support services	120	436	105,869	-	60	-
Community services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,304</b>	<b>7,676</b>	<b>105,869</b>	<b>482</b>	<b>60</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(3,304)	4,868	14,931	18	(60)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(3)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,307)	4,868	14,931	18	(60)	-
Cash and investments - beginning	3,307	-	(14,931)	-	68	20,072
Cash and investments - ending	\$ -	\$ 4,868	\$ -	\$ 18	\$ 8	\$ 20,072
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 4,868	\$ -	\$ 18	\$ 8	\$ 20,072
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ -	\$ 4,868	\$ -	\$ 18	\$ 8	\$ 20,072

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

	Buddy System Project	English Tech Planning Grant	Region 9 School to Work Grant	ISAI Grant	Biology Pilot Program	R.E.A.C.H.
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	3,300	68,423	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>3,300</b>	<b>68,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:						
Current:						
Instruction	-	-	-	-	3,000	-
Support services	-	-	-	98	230	3,338
Community services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>3,230</b>	<b>3,338</b>
Excess (deficiency) of receipts over disbursements	3,300	68,423	-	(98)	(3,230)	(3,338)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,300	68,423	-	(98)	(3,230)	(3,338)
Cash and investments - beginning	-	-	2,336	845	19,114	3,338
Cash and investments - ending	<u>\$ 3,300</u>	<u>\$ 68,423</u>	<u>\$ 2,336</u>	<u>\$ 747</u>	<u>\$ 15,884</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 3,300</u>	<u>\$ 68,423</u>	<u>\$ 2,336</u>	<u>\$ 747</u>	<u>\$ 15,884</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 3,300</u>	<u>\$ 68,423</u>	<u>\$ 2,336</u>	<u>\$ 747</u>	<u>\$ 15,884</u>	<u>\$ -</u>

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

	Riverside Award Student Testing	ASAI Grant	Cape Grant	Title I Fy 05-06	Title I Fy 06-07	Title I School Improvement Fy 05-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 24,550	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	1,500	-	-	-	-
Federal sources	-	-	-	-	138,050	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>1,500</b>	<b>24,550</b>	<b>-</b>	<b>138,050</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	20,933	108,296	725
Support services	-	-	22,281	1,301	2,734	1,292
Community services	-	-	-	-	172	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>22,281</b>	<b>22,234</b>	<b>111,202</b>	<b>2,017</b>
Excess (deficiency) of receipts over disbursements	-	1,500	2,269	(22,234)	26,848	(2,017)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	5,753	-
Transfers out	-	-	-	(5,753)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,753)</b>	<b>5,753</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,500	2,269	(27,987)	32,601	(2,017)
Cash and investments - beginning	243	-	12	27,987	-	2,017
Cash and investments - ending	\$ 243	\$ 1,500	\$ 2,281	\$ -	\$ 32,601	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 243	\$ 1,500	\$ 2,281	\$ -	\$ 32,601	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 243	\$ 1,500	\$ 2,281	\$ -	\$ 32,601	\$ -

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

	Title I School Improvement Fy 06-07	Title V Fy 05-06	Title V Fy 06-07	Drug Free Schools Fy 04-05	Project Lead the Way Fy 05-06	High School to Work Grant Fy 04-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	11,174	-	1,955	5,533	37,697	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>11,174</b>	<b>-</b>	<b>1,955</b>	<b>5,533</b>	<b>37,697</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,308	2,118	-	3,118	31,444	-
Support services	9,675	1,315	-	910	253	141
Community services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>10,983</b>	<b>3,433</b>	<b>-</b>	<b>4,028</b>	<b>31,697</b>	<b>141</b>
Excess (deficiency) of receipts over disbursements	191	(3,433)	1,955	1,505	6,000	(141)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(45,264)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,264)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	191	(3,433)	1,955	1,505	(39,264)	(141)
Cash and investments - beginning	-	13,186	-	(1,505)	39,264	141
Cash and investments - ending	\$ 191	\$ 9,753	\$ 1,955	\$ -	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 191	\$ 9,753	\$ 1,955	\$ -	\$ -	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 191	\$ 9,753	\$ 1,955	\$ -	\$ -	\$ -

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

	High School to Work Grant Fy 05-06	High School to Work Grant Fy 06-07	School To Work Development	Title II Part A	Title II Part D	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 518,374
Intermediate sources	-	-	-	-	-	1,125
State sources	-	-	-	-	-	304,228
Federal sources	-	1,500	-	-	-	331,672
Sale of property, adjustments and refunds	-	-	-	-	-	3,064
<b>Total receipts</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,158,463</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	2,170	259,007
Support services	614	-	-	17,680	16,555	795,751
Community services	-	-	-	-	-	172
<b>Total disbursements</b>	<b>614</b>	<b>-</b>	<b>-</b>	<b>17,680</b>	<b>18,725</b>	<b>1,054,930</b>
Excess (deficiency) of receipts over disbursements	(614)	1,500	-	(17,680)	(18,725)	103,533
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	25,149
Transfers out	-	-	-	-	-	(135,331)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(110,182)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(614)	1,500	-	(17,680)	(18,725)	(6,649)
Cash and investments - beginning	1,594	-	1,139	45,301	19,203	231,714
Cash and investments - ending	\$ 980	\$ 1,500	\$ 1,139	\$ 27,621	\$ 478	\$ 225,065
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 980	\$ 1,500	\$ 1,139	\$ 27,621	\$ 478	\$ 225,065
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 980	\$ 1,500	\$ 1,139	\$ 27,621	\$ 478	\$ 225,065

NETTLE CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2006

	PTO Art Department Donation	Waneta Fulton Memorial Scholarship	Stacie Heacox Memorial	US Bank Scholarship	Reed House Memorial	Call One Program	Tobacco Use Grant	Totals
Additions:								
Contributions:								
Other	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ 1,000	\$ -	\$ 1,200
Deductions:								
Administrative and general	<u>5</u>	<u>165</u>	<u>200</u>	<u>200</u>	<u>95</u>	<u>1,000</u>	<u>-</u>	<u>1,665</u>
Deficiency of total additions over total deductions	(5)	(165)	(200)	-	(95)	-	-	(465)
Cash and investment fund balance - beginning	<u>106</u>	<u>165</u>	<u>408</u>	<u>-</u>	<u>568</u>	<u>-</u>	<u>500</u>	<u>1,747</u>
Cash and Investments - June 30	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 208</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 1,282</u>
Net Assets:								
Cash and investments	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 208</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 1,282</u>
Total net assets - cash and investment basis held in trust	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 208</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 1,282</u>

NETTLE CREEK SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2007

	PTO Art Department Donation	Stacie Heacox Memorial	Denhart - Rex Scholarship	US Bank Scholarship	Reed House Memorial	Tobacco Use Prevention Grant	Totals
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 1,000	\$ 400	\$ -	\$ -	\$ 1,400
Deductions:							
Administrative and general	-	200	1,000	400	81	-	1,681
Deficiency of total additions over total deductions	-	(200)	-	-	(81)	-	(281)
Cash and investment fund balance - beginning	101	208	-	-	473	500	1,282
Cash and Investments - June 30	<u>\$ 101</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 500</u>	<u>\$ 1,001</u>
Net Assets:							
Cash and investments	<u>\$ 101</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 500</u>	<u>\$ 1,001</u>
Total net assets - cash and investment basis held in trust	<u>\$ 101</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 500</u>	<u>\$ 1,001</u>

NETTLE CREEK SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 267,971
Land Improvements	749,812
Buildings	11,005,134
Machinery and equipment	<u>3,795,737</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 15,818,654</u>

NETTLE CREEK SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Elementary school building renovations	\$ 7,650,000	\$ 713,945
Notes and loans payable	<u>5,176,190</u>	<u>506,018</u>
 Total governmental activities debt	 <u>\$ 12,826,190</u>	 <u>\$ 1,219,963</u>

NETTLE CREEK SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for examination indicates enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2007.

The enrollment count date for the school year ending June 30, 2007 was September 15, 2006. The difference between the count reported on the ADM and the verified figures are shown below:

<u>School Year</u>	<u>Grade</u>	<u>Count as Reported on Form 30A</u>	<u>Actual Enrollment Figures</u>	<u>Difference</u>
2006-2007	1 through 12	1227.43	1229.43	2

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

STUDENT LIST NOT SIGNED BY PRINCIPAL

The list of students for the ADM count was not signed by the principal of the building in which the students are located.

The building level official (Principal, Assistant Principal, etc.) that is responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Guidelines Manual for School Corporations Chapter 8)

TEXTBOOK RENTAL RECEIPTS - JR/SR HIGH SCHOOL

Textbook rental receipts tested were not always deposited within a reasonable time. Some of the receipts were held for a week before depositing. Receipts, in one instance, accumulated to over \$9,000 before a deposit was made.

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

TEXTBOOK RENTAL RECEIPTS - ELEMENTARY SCHOOL

The following deficiencies were noted in Elementary School textbook rental receipts reviewed:

1. Receipts tested were not always deposited within a reasonable time. Some of the receipts reviewed were held for a week before depositing. Receipts, in one instance, accumulated to over \$3,000 before a deposit was made.

NETTLE CREEK SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

2. In some instances the classification between cash and checks on the Textbook Rental Receipts did not agree with the classification on the deposit slips.

Indiana Code 41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating Fund, School Lunch Fund, and Debt Service Fund were overdrawn at June 30, 2007.

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

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the School Corporation had money due from the School Corporation, but a list of such employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

ANNUAL 100-R REPORT

The Annual 100-R Report, a listing of all employees names, addresses, duties and compensation, which is to be filed on or before January 31 of each year was not filed for the years 2006 and 2007.

Indiana Code 5-11-13-1 states: "Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year."

NETTLE CREEK SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

To facilitate the filing of the Report of Names, Addresses, Duties and Compensation of Public Employees, the State Board of Accounts has designed and prescribed Form No. 100-R which you may obtain from your public printing supplier. The report is to be prepared to include all officers, employees and agents as of January of the new year. The report should be filed with the State Board of Accounts, Indiana Government Center South, 302 West Washington Street, Room E418, Indianapolis, IN 46204, on or before January 31, of each year. (The School Administrator and Uniform Compliance Guidelines, December 2002)

PAYROLL WITHHOLDINGS AND TEACHERS' RETIREMENT  
FUND PAYMENT NOT REMITTED IN A TIMELY MANNER

Information presented for examination indicated that, in numerous instances, payroll withholdings were not remitted to the proper authorities in a timely manner. The remittances in some cases were made two months or more after the date they were due. Withholdings which were not remitted timely included withholdings for annuities and section 125 accounts.

The payment to the Teachers' Retirement Fund for the period of January through March 2007, due by April 15, 2007, was not made until July 20, 2007. As a result, the School Corporation paid an additional \$404 to the Teachers' Retirement Fund to make up for interest lost on the employees' annuity accounts because of the late payment.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

NETTLE CREEK SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2007, with Judy Cole, Treasurer; Joe Backmeyer, Superintendent of Schools; and Daniel J. Davis, School Board member. The official response has been made a part of this report and may be found on page 35.

# Nettle Creek School Corporation

297 EAST NORTHMARKET ST.  
HAGERSTOWN, INDIANA 47346- 4543  
(765) 489- 4543  
(765) 489- 4914

Joe Backmeyer  
Superintendent

Judy Cole  
Treasurer

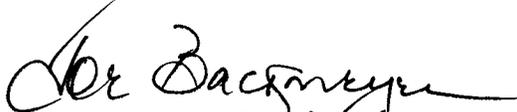
Lori Kinnett  
Executive Secretary

Kara Toler  
Transportation Secretary

November 21, 2007

The Nettle Creek School Corporation regrets that late pension and annuity savings contributions were made on several occasions. A conference was held with the employee that was responsible for payroll and payroll deductions and it was indicated that late payments could not occur again. Late payments did occur a second time. A conference was held and the employee submitted her resignation to the school board. It was accepted by the Board of School Trustees.

The Nettle Creek School Corporation contacted Lincoln Life and the Indiana Teacher Retirement Fund to determine how we might determine the amount of interest that might have been lost to our employees as a result of the late payments. Through the efforts of Thomas Davidson, General Counsel for ISTRF, it was determined that \$403.77 was due ISTRF and the teacher accounts. On August 29, 2007 a check in the amount of \$403.77 was mailed to the Indiana State Teachers' Retirement Fund. We are currently working with Lincoln Life and the Public Employees Retirement Fund to determine the amount of interest that will be due to each of these agencies. When that is determined, payment will be made.

  
Joe Backmeyer, Superintendent