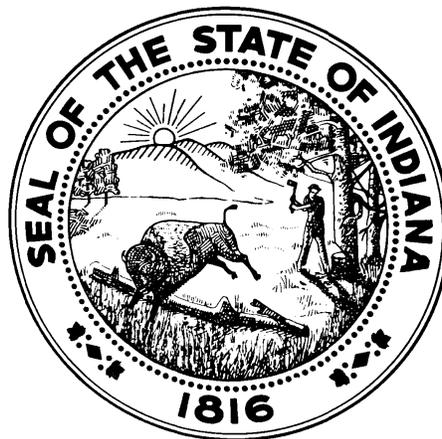


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
PORTER TOWNSHIP SCHOOL CORPORATION
PORTER COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
05/15/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Aline Busse	07-01-05 to 10-18-06
Business Manager	Lyle Bonnell	07-01-05 to 07-29-06
Business Manager/Treasurer	Aline Busse	10-19-06 to 06-30-08
Superintendent of Schools	Nicholas Brown	07-01-05 to 06-30-08
President of the School Board	Lois Kinch Johanna Williams Steve Julovich	07-01-05 to 06-30-06 07-01-06 to 06-30-07 07-01-07 to 06-30-08



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PORTER TOWNSHIP SCHOOL
CORPORATION, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of Porter Township 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 Combining Schedules, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules, as listed in the Table of Contents, have been subjected to the examination procedures applied in the examination of the financial information and, in our opinion, are fairly stated in all material respects in relation to the financial information taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 3, 2008

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,999,632	\$ -	\$ 51,646	\$ (3,947,986)
Support services	7,485,668	589,786	130,835	(6,765,047)
Community services	211,726	-	-	(211,726)
Nonprogrammed charges	376,108	-	-	(376,108)
Debt service	<u>3,747,222</u>	<u>-</u>	<u>-</u>	<u>(3,747,222)</u>
Total Governmental activities	<u>\$ 15,820,356</u>	<u>\$ 589,786</u>	<u>\$ 182,481</u>	<u>(15,048,089)</u>
General receipts:				
Property taxes				4,874,968
Other local sources				1,197,646
State aid				5,562,997
Bonds and loans				901,951
Grants and contributions not restricted to specific programs				279,228
Sale of property, adjustments, and refunds				94,676
Investment earnings				<u>182,790</u>
Total general receipts				<u>13,094,256</u>
Change in net assets				(1,953,833)
Net assets - beginning				<u>4,454,583</u>
Net assets - ending				<u>\$ 2,500,750</u>
<u>Assets</u>				
Cash and investments				\$ 2,207,343
Restricted assets:				
Cash and investments				<u>293,407</u>
Total assets				<u>\$ 2,500,750</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 293,407
Unrestricted				<u>2,207,343</u>
Total net assets				<u>\$ 2,500,750</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 4,079,818	\$ -	\$ 50,750	\$ (4,029,068)
Support services	8,549,215	590,878	140,661	(7,817,676)
Community services	209,039	-	-	(209,039)
Nonprogrammed charges	492,202	-	-	(492,202)
Debt service	<u>3,415,107</u>	<u>-</u>	<u>-</u>	<u>(3,415,107)</u>
Total governmental activities	<u>\$ 16,745,381</u>	<u>\$ 590,878</u>	<u>\$ 191,411</u>	<u>(15,963,092)</u>
General receipts:				
Property taxes				7,633,983
Other local sources				1,289,943
State aid				5,356,859
Bonds and loans				3,642,074
Grants and contributions not restricted to specific programs				252,503
Sale of property, adjustments, and refunds				80,847
Investment earnings				<u>223,772</u>
Total general receipts				<u>18,479,981</u>
Change in net assets				2,516,889
Net assets - beginning				<u>2,500,750</u>
Net assets - ending				<u>\$ 5,017,639</u>
<u>Assets</u>				
Cash and investments				\$ 4,545,941
Restricted assets:				
Cash and investments				<u>471,698</u>
Total assets				<u>\$ 5,017,639</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 471,698
Unrestricted				<u>4,545,941</u>
Total net assets				<u>\$ 5,017,639</u>

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

PORTER TOWNSHIP 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
Receipts:							
Local sources	\$ 2,686,589	\$ 644,410	\$ 1,751,670	\$ 975,603	\$ 83,874	\$ 701,776	\$ 6,843,922
Intermediate sources	68	-	-	-	-	1,200	1,268
State sources	5,601,678	-	-	-	-	223,345	5,825,023
Federal sources	-	-	-	-	-	199,683	199,683
Bonds and loans	464,702	-	-	437,249	-	-	901,951
Sale of property, adjustments and refunds	80,369	4,848	-	-	-	9,459	94,676
Total receipts	8,833,406	649,258	1,751,670	1,412,852	83,874	1,135,463	13,866,523
Disbursements:							
Current:							
Instruction	3,841,481	-	-	-	-	158,151	3,999,632
Support services	4,317,917	836,574	946	1,299,580	100,358	930,293	7,485,668
Community services	211,252	-	-	-	-	474	211,726
Nonprogrammed charges	372,108	-	-	-	-	4,000	376,108
Debt service	805,835	-	2,377,193	415,629	-	148,565	3,747,222
Total disbursements	9,548,593	836,574	2,378,139	1,715,209	100,358	1,241,483	15,820,356
Deficiency of receipts over disbursements	(715,187)	(187,316)	(626,469)	(302,357)	(16,484)	(106,020)	(1,953,833)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	17,469	17,469
Transfers out	-	-	-	-	(17,469)	-	(17,469)
Total other financing sources (uses)	-	-	-	-	(17,469)	17,469	-
Deficiency of receipts and other financing sources over disbursements and other financing uses	(715,187)	(187,316)	(626,469)	(302,357)	(33,953)	(88,551)	(1,953,833)
Cash and investments - beginning	1,486,327	484,842	919,876	1,192,795	52,483	318,260	4,454,583
Cash and investments - ending	\$ 771,140	\$ 297,526	\$ 293,407	\$ 890,438	\$ 18,530	\$ 229,709	\$ 2,500,750
Cash and Investment Assets - Ending							
Cash and investments	\$ 771,140	\$ 297,526	\$ -	\$ 890,438	\$ 18,530	\$ 229,709	\$ 2,207,343
Restricted assets:							
Cash and investments	-	-	293,407	-	-	-	293,407
Total cash and investment assets - ending	\$ 771,140	\$ 297,526	\$ 293,407	\$ 890,438	\$ 18,530	\$ 229,709	\$ 2,500,750
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 293,407	\$ -	\$ -	\$ -	\$ 293,407
Unrestricted	771,140	297,526	-	890,438	18,530	229,709	2,207,343
Total cash and investment fund balance - ending	\$ 771,140	\$ 297,526	\$ 293,407	\$ 890,438	\$ 18,530	\$ 229,709	\$ 2,500,750

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

PORTER TOWNSHIP 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
Receipts:							
Local sources	\$ 3,904,276	\$ 959,998	\$ 2,517,259	\$ 1,449,810	\$ 130,185	\$ 775,305	\$ 9,736,833
Intermediate sources	-	-	-	-	-	1,743	1,743
State sources	5,394,505	-	-	-	-	122,355	5,516,860
Federal sources	-	-	-	-	-	283,913	283,913
Bonds and loans	1,838,190	-	-	841,241	162,878	799,765	3,642,074
Sale of property, adjustments and refunds	74,837	4,395	-	-	-	1,615	80,847
Total receipts	11,211,808	964,393	2,517,259	2,291,051	293,063	1,984,696	19,262,270
Disbursements:							
Current:							
Instruction	3,914,466	-	-	-	-	165,352	4,079,818
Support services	4,601,216	979,544	-	1,445,317	115,808	1,407,330	8,549,215
Community services	209,014	-	-	-	-	25	209,039
Nonprogrammed charges	487,802	-	-	-	-	4,400	492,202
Debt service	464,702	-	2,350,524	461,928	-	137,953	3,415,107
Total disbursements	9,677,200	979,544	2,350,524	1,907,245	115,808	1,715,060	16,745,381
Excess (deficiency) of receipts over disbursements	1,534,608	(15,151)	166,735	383,806	177,255	269,636	2,516,889
Cash and investments - beginning	771,140	297,526	293,407	890,438	18,530	229,709	2,500,750
Cash and investments - ending	<u>\$ 2,305,748</u>	<u>\$ 282,375</u>	<u>\$ 460,142</u>	<u>\$ 1,274,244</u>	<u>\$ 195,785</u>	<u>\$ 499,345</u>	<u>\$ 5,017,639</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,305,748	\$ 282,375	\$ -	\$ 1,274,244	\$ 195,785	\$ 487,789	\$ 4,545,941
Restricted assets:							
Cash and investments	-	-	460,142	-	-	11,556	471,698
Total cash and investment assets - ending	<u>\$ 2,305,748</u>	<u>\$ 282,375</u>	<u>\$ 460,142</u>	<u>\$ 1,274,244</u>	<u>\$ 195,785</u>	<u>\$ 499,345</u>	<u>\$ 5,017,639</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 460,142	\$ -	\$ -	\$ 11,556	\$ 471,698
Unrestricted	2,305,748	282,375	-	1,274,244	195,785	487,789	4,545,941
Total cash and investment fund balance - ending	<u>\$ 2,305,748</u>	<u>\$ 282,375</u>	<u>\$ 460,142</u>	<u>\$ 1,274,244</u>	<u>\$ 195,785</u>	<u>\$ 499,345</u>	<u>\$ 5,017,639</u>

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

PORTER TOWNSHIP SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUND
 For the Year Ended June 30, 2006

	<u>Pension Trust Fund</u>
Additions:	
Investment earnings:	
Interest	\$ <u>8,096</u>
Deductions:	
Benefits	83,574
Administrative and general	<u>1,723</u>
Total deductions	<u>85,297</u>
Deficiency of total additions under total deductions	(77,201)
Cash and investment fund balance - beginning	<u>310,189</u>
Cash and investment fund balance - ending	<u>\$ 232,988</u>
Net assets:	
Cash and investments basis held in trust	<u>\$ 232,988</u>

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

PORTER TOWNSHIP SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUND
 For the Year Ended June 30, 2007

	<u>Pension Trust Fund</u>
Additions:	
Investment earnings:	
Interest	\$ 14,528
Deductions:	
Benefits	<u>8,903</u>
Excess of total additions over total deductions	5,625
Cash and investment fund balance - beginning	<u>232,988</u>
Cash and investment fund balance - ending	<u><u>\$ 238,613</u></u>
Net assets:	
Cash and investments basis held in trust	<u><u>\$ 238,613</u></u>

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

PORTER TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

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

Fund Financial Schedules

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules. However, at this time, the School Corporation has not established any enterprise funds.

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

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

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

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

PORTER TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Additionally, the School Corporation reports the following fund type:

The pension trust fund accounts for the activities of the Retirement/Severance Bond Fund, which accumulates resources for pension benefit payments.

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. Receipts are recorded when received and disbursements are recorded when paid.

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

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial schedules for governmental funds would use the modified accrual basis of accounting. 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.

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

Note 3. Budgets

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

Note 4. Property Taxes

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

PORTER TOWNSHIP SCHOOL CORPORATION
 NOTES TO FINANCIAL INFORMATION
 (Continued)

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>
School Bus Replacement Fund	Other governmental funds	<u>\$ 17,469</u>	<u>\$ -</u>

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

Note 7. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

PORTER TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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 Events

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2005 through 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2005 through 2007. The late billing has delayed timely property tax distributions to the School Corporation. The 2007 tax bills were not sent out until December 2007, with a due date of January 11, 2008. The School Corporation does not anticipate final property tax distribution until mid 2008.

PORTER TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Tax Anticipation Warrants

The outstanding tax anticipation warrants with the Indiana Bond Bank for the General, Capital Projects, School Bus Replacement, and Retirement/Severance Bond Funds, for \$1,838,190, \$816,561, \$162,878, and \$51,195, respectively, were repaid as of December 31, 2007, in accordance with loan agreements.

In December 2007, the School Board of Trustees approved 2008 tax anticipation warrants from the Indiana Bond Bank for the General, Capital Projects, School Bus Replacement and Retirement/Severance Bond Funds for \$1,264,991, \$659,155, \$44,348, and \$3,657, respectively, at an interest rate of 2.39%. As of January 31, 2008, the proceeds of the tax anticipation warrants were received.

School Technology Advancement Account

In October 2007, the School Corporation was approved for a \$42,204 school technology advancement account loan from the State. The loan is to be repaid over 2 years at an interest rate of 1%.

Common School Loan

In October 2007, the School Corporation was approved for a \$152,700 common school loan for technology from the State. The loan is to be repaid over 5 years at an interest rate of 1%.

PORTER TOWNSHIP 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 Pre-School	Rainy Day	Food Services	Textbook Rental	Education Plate	Safe Schools	Early Intervention
Receipts:							
Local sources	\$ 6,894	\$ 1,723	\$ 414,494	\$ 181,250	\$ -	\$ 825	\$ -
Intermediate sources	-	-	-	-	1,200	-	-
State sources	14,895	-	10,459	10,504	-	-	-
Federal sources	-	-	109,872	-	-	-	-
Sale of property, adjustments and refunds	-	-	6,459	-	-	-	-
Total receipts	21,789	1,723	541,284	191,754	1,200	825	-
Disbursements:							
Current:							
Instruction	31,373	-	-	-	-	3,040	957
Support services	-	-	480,644	193,766	518	215	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	17,734	-	-	-	-
Total disbursements	31,373	-	498,378	193,766	518	3,255	957
Excess (deficiency) of receipts over disbursements	(9,584)	1,723	42,906	(2,012)	682	(2,430)	(957)
Other financing sources:							
Transfers in	-	17,469	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	(9,584)	19,192	42,906	(2,012)	682	(2,430)	(957)
Cash and investments - beginning	22,684	166,718	29,440	43,692	3,792	245	957
Cash and investments - ending	\$ 13,100	\$ 185,910	\$ 72,346	\$ 41,680	\$ 4,474	\$ (2,185)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 13,100	\$ 185,910	\$ 72,346	\$ 41,680	\$ 4,474	\$ (2,185)	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 13,100	\$ 185,910	\$ 72,346	\$ 41,680	\$ 4,474	\$ (2,185)	\$ -

PORTER TOWNSHIP 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)

	Scholarships/ Donations	Extra-Curricular Activity	Gifted/Talented 2005/2006	Gifted/Talented 2004/2005	Common School Education Technology	English Second Language	School Technology E-Rates
Receipts:							
Local sources	\$ -	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	12,965	-	174,522	-	-
Federal sources	3,493	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	3,493	255	12,965	-	174,522	-	-
Disbursements:							
Current:							
Instruction	-	-	-	12,965	-	3,554	-
Support services	-	222	-	-	164,024	-	331
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	4,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	4,000	222	-	12,965	164,024	3,554	331
Excess (deficiency) of receipts over disbursements	(507)	33	12,965	(12,965)	10,498	(3,554)	(331)
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	(507)	33	12,965	(12,965)	10,498	(3,554)	(331)
Cash and investments - beginning	507	6	-	12,965	(19,730)	3,554	331
Cash and investments - ending	\$ -	\$ 39	\$ 12,965	\$ -	\$ (9,232)	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 39	\$ 12,965	\$ -	\$ (9,232)	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 39	\$ 12,965	\$ -	\$ (9,232)	\$ -	\$ -

PORTER TOWNSHIP 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)

	Project Care	Title I 2004/2005	Title I 2005/2006	Title V 2004/2005	Title V, Part A 2004/2005	Title IV Drug Free FY04
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,000	5,900	63,195	-	6,021	-
Sale of property, adjustments and refunds	3,000	-	-	-	-	-
Total receipts	6,000	5,900	63,195	-	6,021	-
Disbursements:						
Current:						
Instruction	9,429	10,357	43,908	-	-	-
Support services	722	3,488	5,781	1,787	6,021	2,875
Community services	-	-	474	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	10,151	13,845	50,163	1,787	6,021	2,875
Excess (deficiency) of receipts over disbursements	(4,151)	(7,945)	13,032	(1,787)	-	(2,875)
Other financing sources:						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	(4,151)	(7,945)	13,032	(1,787)	-	(2,875)
Cash and investments - beginning	7,791	7,945	-	1,787	-	2,875
Cash and investments - ending	\$ 3,640	\$ -	\$ 13,032	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,640	\$ -	\$ 13,032	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 3,640	\$ -	\$ 13,032	\$ -	\$ -	\$ -

PORTER TOWNSHIP 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)

	Drug Free 2004/2005	Title II Part A Improve Teacher Quality	Title II Part D Technology	Retirement/ Severance Bond	VM-HS Sinking Project	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 96,335	\$ -	\$ 701,776
Intermediate sources	-	-	-	-	-	1,200
State sources	-	-	-	-	-	223,345
Federal sources	5,189	-	3,013	-	-	199,683
Sale of property, adjustments and refunds	-	-	-	-	-	9,459
Total receipts	5,189	-	3,013	96,335	-	1,135,463
Disbursements:						
Current:						
Instruction	-	42,568	-	-	-	158,151
Support services	1,162	-	1,708	-	67,029	930,293
Community services	-	-	-	-	-	474
Nonprogrammed charges	-	-	-	-	-	4,000
Debt services	-	-	-	130,831	-	148,565
Total disbursements	1,162	42,568	1,708	130,831	67,029	1,241,483
Excess (deficiency) of receipts over disbursements	4,027	(42,568)	1,305	(34,496)	(67,029)	(106,020)
Other financing sources:						
Transfers in	-	-	-	-	-	17,469
Excess (deficiency) of receipts and other financing sources over disbursements	4,027	(42,568)	1,305	(34,496)	(67,029)	(88,551)
Cash and investments - beginning	-	42,568	-	(9,867)	-	318,260
Cash and investments - ending	<u>\$ 4,027</u>	<u>\$ -</u>	<u>\$ 1,305</u>	<u>\$ (44,363)</u>	<u>\$ (67,029)</u>	<u>\$ 229,709</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 4,027</u>	<u>\$ -</u>	<u>\$ 1,305</u>	<u>(44,363)</u>	<u>(67,029)</u>	<u>\$ 229,709</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 4,027</u>	<u>\$ -</u>	<u>\$ 1,305</u>	<u>(44,363)</u>	<u>(67,029)</u>	<u>\$ 229,709</u>

PORTER TOWNSHIP 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 Pre-School	Rainy Day	Food Services	Textbook Rental	Education Plate	Safe Schools	Scholarships/ Donations
Receipts:							
Local sources	\$ 9,829	\$ 15,925	\$ 446,663	\$ 145,240	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	1,743	-	-
State sources	16,130	-	9,242	10,393	-	2,185	-
Federal sources	-	-	121,028	-	-	-	4,475
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	1,615	-	-	-
Total receipts	<u>25,959</u>	<u>15,925</u>	<u>576,933</u>	<u>157,248</u>	<u>1,743</u>	<u>2,185</u>	<u>4,475</u>
Disbursements:							
Current:							
Instruction	25,275	-	-	-	-	-	-
Support services	-	-	514,701	107,964	100	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	4,400
Debt services	-	-	8,867	-	-	-	-
Total disbursements	<u>25,275</u>	<u>-</u>	<u>523,568</u>	<u>107,964</u>	<u>100</u>	<u>-</u>	<u>4,400</u>
Excess (deficiency) of receipts over disbursements	<u>684</u>	<u>15,925</u>	<u>53,365</u>	<u>49,284</u>	<u>1,643</u>	<u>2,185</u>	<u>75</u>
Cash and investments - beginning	<u>13,100</u>	<u>185,910</u>	<u>72,346</u>	<u>41,680</u>	<u>4,474</u>	<u>(2,185)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 13,784</u>	<u>\$ 201,835</u>	<u>\$ 125,711</u>	<u>\$ 90,964</u>	<u>\$ 6,117</u>	<u>\$ -</u>	<u>\$ 75</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 13,784	\$ 201,835	\$ 125,711	\$ 90,964	\$ 6,117	\$ -	\$ 75
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 13,784</u>	<u>\$ 201,835</u>	<u>\$ 125,711</u>	<u>\$ 90,964</u>	<u>\$ 6,117</u>	<u>\$ -</u>	<u>\$ 75</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13,784	201,835	125,711	90,964	6,117	-	75
Total cash and investment fund balance - ending	<u>\$ 13,784</u>	<u>\$ 201,835</u>	<u>\$ 125,711</u>	<u>\$ 90,964</u>	<u>\$ 6,117</u>	<u>\$ -</u>	<u>\$ 75</u>

PORTER TOWNSHIP 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)

	Extra-Curricular Activity	B.G.-Winfield Pop Warner	Gifted/Talented 2005/2006	Gifted/Talented 2006/2007	Common School Education Technology	English Second Language	School Technology E-Rates
Receipts:							
Local sources	\$ 12,701	\$ 1,198	\$ -	\$ -	\$ -	\$ -	\$ 4,939
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	12,965	71,303	137	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>12,701</u>	<u>1,198</u>	<u>-</u>	<u>12,965</u>	<u>71,303</u>	<u>137</u>	<u>4,939</u>
Disbursements:							
Current:							
Instruction	-	-	12,965	35	-	-	-
Support services	12,561	869	-	-	58,151	-	1,807
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>12,561</u>	<u>869</u>	<u>12,965</u>	<u>35</u>	<u>58,151</u>	<u>-</u>	<u>1,807</u>
Excess (deficiency) of receipts over disbursements	<u>140</u>	<u>329</u>	<u>(12,965)</u>	<u>12,930</u>	<u>13,152</u>	<u>137</u>	<u>3,132</u>
Cash and investments - beginning	<u>39</u>	<u>-</u>	<u>12,965</u>	<u>-</u>	<u>(9,232)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 179</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ 12,930</u>	<u>\$ 3,920</u>	<u>\$ 137</u>	<u>\$ 3,132</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 179	\$ 329	\$ -	\$ 12,930	\$ 3,920	\$ 137	\$ 3,132
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 179</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ 12,930</u>	<u>\$ 3,920</u>	<u>\$ 137</u>	<u>\$ 3,132</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>179</u>	<u>329</u>	<u>-</u>	<u>12,930</u>	<u>3,920</u>	<u>137</u>	<u>3,132</u>
Total cash and investment fund balance - ending	<u>\$ 179</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ 12,930</u>	<u>\$ 3,920</u>	<u>\$ 137</u>	<u>\$ 3,132</u>

PORTER TOWNSHIP 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)

	A+ For Energy BP Grant	Project Care	Title I 2005/2006	Title I 2006/2007	Title V, Part A 2005/2006	Drug Free 2004/2005	Drug Free 2005/2006
Receipts:							
Local sources	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	6,500	6,000	95,231	4,129	-	4,587
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>5,000</u>	<u>6,500</u>	<u>6,000</u>	<u>95,231</u>	<u>4,129</u>	<u>-</u>	<u>4,587</u>
Disbursements:							
Current:							
Instruction	-	8,283	13,723	63,108	-	-	-
Support services	-	633	5,284	16,730	-	4,027	1,657
Community services	-	-	25	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>8,916</u>	<u>19,032</u>	<u>79,838</u>	<u>-</u>	<u>4,027</u>	<u>1,657</u>
Excess (deficiency) of receipts over disbursements	<u>5,000</u>	<u>(2,416)</u>	<u>(13,032)</u>	<u>15,393</u>	<u>4,129</u>	<u>(4,027)</u>	<u>2,930</u>
Cash and investments - beginning	<u>-</u>	<u>3,640</u>	<u>13,032</u>	<u>-</u>	<u>-</u>	<u>4,027</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,000</u>	<u>\$ 1,224</u>	<u>\$ -</u>	<u>\$ 15,393</u>	<u>\$ 4,129</u>	<u>\$ -</u>	<u>\$ 2,930</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 5,000	\$ 1,224	\$ -	\$ 15,393	\$ 4,129	\$ -	\$ 2,930
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,000</u>	<u>\$ 1,224</u>	<u>\$ -</u>	<u>\$ 15,393</u>	<u>\$ 4,129</u>	<u>\$ -</u>	<u>\$ 2,930</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>5,000</u>	<u>1,224</u>	<u>-</u>	<u>15,393</u>	<u>4,129</u>	<u>-</u>	<u>2,930</u>
Total cash and investment fund balance - ending	<u>\$ 5,000</u>	<u>\$ 1,224</u>	<u>\$ -</u>	<u>\$ 15,393</u>	<u>\$ 4,129</u>	<u>\$ -</u>	<u>\$ 2,930</u>

PORTER TOWNSHIP 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 II Part A Improve Teacher Quality	Title II Part D Technology	Retirement/ Severance Bond	VM-HS Sinking Project	CS-MS Wastewater Plant	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 133,810	\$ -	\$ -	\$ 775,305
Intermediate sources	-	-	-	-	-	1,743
State sources	-	-	-	-	-	122,355
Federal sources	41,963	-	-	-	-	283,913
Bonds and loans	-	-	51,195	80,000	668,570	799,765
Sale of property, adjustments and refunds	-	-	-	-	-	1,615
Total receipts	41,963	-	185,005	80,000	668,570	1,984,696
Disbursements:						
Current:						
Instruction	41,963	-	-	-	-	165,352
Support services	-	1,305	-	12,971	668,570	1,407,330
Community services	-	-	-	-	-	25
Nonprogrammed charges	-	-	-	-	-	4,400
Debt services	-	-	129,086	-	-	137,953
Total disbursements	41,963	1,305	129,086	12,971	668,570	1,715,060
Excess (deficiency) of receipts over disbursements	-	(1,305)	55,919	67,029	-	269,636
Cash and investments - beginning	-	1,305	(44,363)	(67,029)	-	229,709
Cash and investments - ending	\$ -	\$ -	\$ 11,556	\$ -	\$ -	\$ 499,345
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,789
Restricted assets:						
Cash and investments	-	-	11,556	-	-	11,556
Total cash and investment assets - ending	\$ -	\$ -	\$ 11,556	\$ -	\$ -	\$ 499,345
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 11,556	\$ -	\$ -	\$ 11,556
Unrestricted	-	-	-	-	-	487,789
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 11,556	\$ -	\$ -	\$ 499,345

PORTER TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 413,300
Land Improvements	1,105,854
Buildings	19,349,249
Improvements other than buildings	3,919,150
Machinery and equipment	<u>1,252,356</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 26,039,909</u>

PORTER TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
1991 Porter Township High School Building Corporation	\$ 155,389	\$ 202,103
2001 Porter Township High School Building Corporation	12,575,927	1,380,500
Common school loans	3,729,004	487,969
Veterans memorial school construction fund loans	882,751	67,059
Bonds payable:		
General obligation bonds:		
1999 Boone Grove Middle School Improvements	800,000	129,421
2005 Retirement/Severance	1,455,000	127,171
Total governmental activities debt	<u>\$ 19,598,071</u>	<u>\$ 2,394,223</u>

PORTER TOWNSHIP SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM)

The information presented for audit 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 2006-2007 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>Under Reported</u>
2006-2007	Kindergarten	50.50	51.50	(1.00)
2006-2007	1 Through 12	1,527.00	1,532.00	(5.00)

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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances are not in agreement. As of June 30, 2007, the ledger cash balance is greater than the adjusted bank balance by \$459.44.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSFER TUITION

The School Corporation estimates the cash transfer tuition and has set specific dates for partial payments. The School Corporation prepares the Transfer Tuition Statement (Form No. 515) after the conclusion of the school year, to determine the actual costs by class of school. The School Corporation's policy shows that any costs over the estimate should be due 30 days after notice to the parent and any refund should be applied to the next school year or should be refunded in the event the student has withdrawn or graduated.

The School Corporation has ensured that the estimated payments were collected; however, no follow-up on the comparison of the estimated to actual costs has been performed to be able to determine if the estimated collections resulted in an over or under payment of actual costs. The School Corporation had three and five cash transfer students for the 2005-2006 and 2006-2007 school years, respectively.

Indiana Code 20-26-11-6 states in part: "(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter. (b) A transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established in section 13 of this chapter . . ."

PORTER TOWNSHIP SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PAYMENT FOR PRESCRIBED FORMS (Applies to Boone Grove High School)

The High School paid \$1,274.84 in November 2006 from the interest fund for the purchase of the required prescribed forms.

The cost of prescribed or approved records shall also be paid from the general fund of the school corporation. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

OLD OUTSTANDING CHECKS (Applies to Boone Grove High School)

Checks totaling \$4,117.92 as of May 31, 2007, were included as outstanding in excess of two years. The original dates of the old outstanding checks range from 2002 to 2005 which should have been receipted back before March 2005 to 2008, respectively. The individual checks are to be receipted back to the fund of origin and cleared from the outstanding check list.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-5 states: "(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks. (b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

TEXTBOOK RENTAL RECEIPTS (Applies to Boone Grove Elementary School)

Textbook rental receipts were not always deposited within a reasonable time. Receipts, in some instances, were held for periods up to 29 days before depositing.

Textbook rental receipts were not always written for textbook rental fees collected. Sixty percent of the deposits reviewed showed that the amount deposited was greater than the amount per the receipts. The amount deposited in one instance was \$1,856 greater than the sum of the textbook rental receipts.

PORTER TOWNSHIP SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

PORTER TOWNSHIP SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2008, with Nicholas Brown, Superintendent of Schools; Aline Busse, Business Manager/Treasurer; and Linda Bult, Deputy Treasurer. The official response has been made a part of this report and may be found on page 29.

PTSC

Porter Township School Corporation

248 South 500 West, Valparaiso, IN 46385 • 219.477.4933 • Fax 219.477.4834

Office of the Superintendent

NICHOLAS G. BROWN
Superintendent

ALINE BUSSE
Business Manager/Treasurer

CLAY CORMAN
*Coordinator of Curriculum and
Professional Development*

March 19, 2008

State Examiner
Porter County Government Center
State Board of Accounts
155 Indiana Avenue, Rm. 305
Valparaiso, IN 46383

To Whom It May Concern:

This is an official response to the Porter Township School Corporation examination results and comments on Transfer Tuition.

Mr. Lyle Bonnell was the Business Manager of Porter Township and was responsible for preparing all Transfer Tuition Form 515 calculations. After Mr. Bonnell's untimely death in 2006, it was discovered that the Transfer Tuition calculations for school years 2005-2006 and 2006-2007 had not been done. In late 2006 Mrs. Aline Busse prepared a Form 515 for each of the three (3) students in 2005-2006 and for each of the five (5) students in 2006-2007.

Mr. Nicholas Brown and Mrs. Aline Busse discussed the lateness of these forms and if it would be proper to bill any additional costs since such a long period of time had lapsed. Since the calculations had not been prepared and presented for payment as per the original Transfer Tuition agreement, it was decided that we would not send out any further bills.

We do understand that a final Transfer Tuition Statement, Form 515 is to be prepared and presented to all parents prior to August 15th of each year. We will follow through and issue final billings each year.


Mr. Nicholas Brown, Superintendent


Mrs. Aline Busse, Bus Mgr/Treasurer