

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

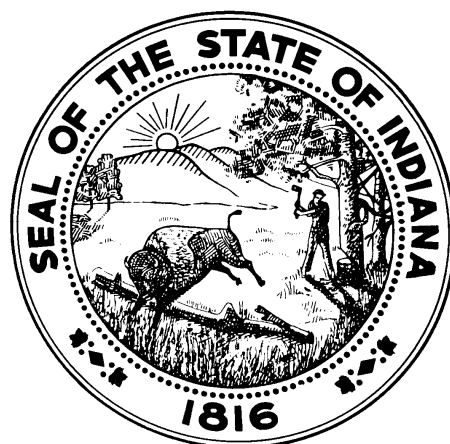
EXAMINATION REPORT

OF

SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION

PUTNAM COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

02/22/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Information:	
Schedule of Activities and Net Assets - Cash and Investment Basis	4-5
Fund Financial Information:	
Governmental Funds:	
Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Governmental Funds	6-7
Fiduciary Funds:	
Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	8-9
Notes to Financial Information	10-14
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Other Governmental Funds	15-22
Schedule of Long-Term Debt	23
Examination Results and Comments:	
Overdrawn Fund Balances	24
Compensation and Benefits	24
Prescribed Forms	24
Exit Conference.....	25

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca J. Samsel	07-01-05 to 06-30-08
Superintendent of Schools	Daniel Schroeder Bruce D. Bernhardt	07-01-05 to 06-30-06 07-01-06 to 06-30-08
President of the School Board	Howard Bowen Michael Rissler	07-01-05 to 06-30-06 07-01-06 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SOUTH PUTNAM COMMUNITY SCHOOL
CORPORATION, PUTNAM COUNTY, INDIANA

We have examined the financial information presented herein of South Putnam Community 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 present 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 13, 2007

SOUTH PUTNAM COMMUNITY 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>Net Disbursement</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Totals</u>
		<u>Services</u>	<u>Grants and</u>	
			<u>Contributions</u>	
Governmental activities:				
Instruction	\$ 3,534,765	\$ -	\$ 53,159	\$ (3,481,606)
Support services	9,000,131	472,433	163,542	(8,364,156)
Community services	27,302	-	-	(27,302)
Nonprogrammed charges	5,324,300	-	-	(5,324,300)
Debt service	8,227,897	-	-	(8,227,897)
	<u>\$ 26,114,395</u>	<u>\$ 472,433</u>	<u>\$ 216,701</u>	<u>(25,425,261)</u>
Total governmental activities				
General receipts:				
Property taxes				5,937,140
Other local sources				741,482
State aid				6,029,121
Bonds and loans				6,650,000
Grants and contributions not restricted to specific programs				222,784
Sale of property, adjustments, and refunds				9,727,239
Investment earnings				73,221
Total general receipts				29,380,987
Change in net assets				3,955,726
Net assets - beginning				1,032,750
Net assets - ending				\$ 4,988,476
<u>Assets</u>				
Cash and investments				\$ 4,132,890
Restricted assets:				
Cash and investments				855,586
Total assets				\$ 4,988,476
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 855,586
Unrestricted				4,132,890
Total net assets				\$ 4,988,476

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

SOUTH PUTNAM COMMUNITY 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>Net Disbursement</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Totals</u>
		<u>Services</u>	<u>Grants and</u>	
			<u>Contributions</u>	
Governmental activities:				
Instruction	\$ 3,368,852	\$ -	\$ 48,520	\$ (3,320,332)
Support services	6,848,493	506,870	96,524	(6,245,099)
Community services	40,602	-	-	(40,602)
Nonprogrammed charges	6,307,003	-	-	(6,307,003)
Debt service	<u>5,467,416</u>	<u>-</u>	<u>-</u>	<u>(5,467,416)</u>
Total governmental activities	<u>\$ 22,032,366</u>	<u>\$ 506,870</u>	<u>\$ 145,044</u>	<u>(21,380,452)</u>
General receipts:				
Property taxes				3,298,314
Other local sources				703,459
State aid				5,908,892
Bonds and loans				2,800,000
Grants and contributions not restricted to specific programs				226,928
Sale of property, adjustments, and refunds				5,990,894
Investment earnings				<u>135,891</u>
Total general receipts				<u>19,064,378</u>
Change in net assets				(2,316,074)
Net assets - beginning				<u>4,988,476</u>
Net assets - ending				<u>\$ 2,672,402</u>
<u>Assets</u>				
Cash and investments				\$ 2,554,707
Restricted assets:				
Cash and investments				<u>117,695</u>
Total assets				<u>\$ 2,672,402</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 117,695
Unrestricted				<u>2,554,707</u>
Total net assets				<u>\$ 2,672,402</u>

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

SOUTH PUTNAM COMMUNITY 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	Administration Building Construction	Other	Totals
Receipts:								
Local sources	\$ 2,378,052	\$ 740,182	\$ 2,268,482	\$ 725,990	\$ 332,748	\$ -	\$ 768,730	\$ 7,214,184
Intermediate sources	9,749	-	-	-	-	-	338	10,087
State sources	6,069,546	-	-	-	-	-	70,534	6,140,080
Federal sources	-	-	-	-	-	-	328,531	328,531
Bonds and loans	3,700,000	1,050,000	1,600,000	200,000	-	-	100,000	6,650,000
Sale of property, adjustments and refunds	2,493,246	609,885	996,165	337,432	-	5,267,491	23,020	9,727,239
Total receipts	14,650,593	2,400,067	4,864,647	1,263,422	332,748	5,267,491	1,291,153	30,070,121
Disbursements:								
Current:								
Instruction	3,407,029	-	-	-	-	-	127,736	3,534,765
Support services	4,238,327	763,546	-	1,409,544	116,927	1,785,358	686,429	9,000,131
Community services	26,438	-	-	-	-	-	864	27,302
Nonprogrammed charges	2,734,271	597,699	996,165	-	-	996,165	-	5,324,300
Debt services	3,000,000	950,000	3,783,412	200,000	-	-	294,485	8,227,897
Total disbursements	13,406,065	2,311,245	4,779,577	1,609,544	116,927	2,781,523	1,109,514	26,114,395
Excess (deficiency) of receipts over disbursements	1,244,528	88,822	85,070	(346,122)	215,821	2,485,968	181,639	3,955,726
Other financing sources (uses):								
Transfers in	-	81,266	-	1,863,998	-	-	415,067	2,360,331
Transfers out	(74,229)	(25,459)	(353,024)	(15,813)	(4,031)	(1,850,000)	(37,775)	(2,360,331)
Total other financing sources (uses)	(74,229)	55,807	(353,024)	1,848,185	(4,031)	(1,850,000)	377,292	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,170,299	144,629	(267,954)	1,502,063	211,790	635,968	558,931	3,955,726
Cash and investments - beginning	445,929	310,288	1,109,830	(780,412)	63,933	-	(116,818)	1,032,750
Cash and investments - ending	\$ 1,616,228	\$ 454,917	\$ 841,876	\$ 721,651	\$ 275,723	\$ 635,968	\$ 442,113	\$ 4,988,476
Net assets of governmental activities								\$ 4,988,476
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,616,228	\$ 454,917	\$ -	\$ 721,651	\$ 275,723	\$ 635,968	\$ 428,403	\$ 4,132,890
Restricted assets:								
Cash and investments	-	-	841,876	-	-	-	13,710	855,586
Total cash and investment assets - ending	\$ 1,616,228	\$ 454,917	\$ 841,876	\$ 721,651	\$ 275,723	\$ 635,968	\$ 442,113	\$ 4,988,476
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ 841,876	\$ -	\$ -	\$ -	\$ 13,710	\$ 855,586
Unrestricted	1,616,228	454,917	-	721,651	275,723	635,968	428,403	4,132,890
Total cash and investment fund balance - ending	\$ 1,616,228	\$ 454,917	\$ 841,876	\$ 721,651	\$ 275,723	\$ 635,968	\$ 442,113	\$ 4,988,476

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

SOUTH PUTNAM COMMUNITY 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	Administration Building Construction	Other	Totals
Receipts:								
Local sources	\$ 1,415,816	\$ 377,747	\$ 1,391,850	\$ 524,347	\$ 289,175	\$ -	\$ 634,273	\$ 4,633,208
Intermediate sources	10,895	-	-	-	-	-	431	11,326
State sources	5,944,695	-	-	-	-	-	75,242	6,019,937
Federal sources	-	-	-	-	-	-	260,927	260,927
Bonds and loans	1,200,000	400,000	1,200,000	-	-	-	-	2,800,000
Sale of property, adjustments and refunds	1,549,198	412,992	650,000	1,144,347	150,015	1,582,743	501,599	5,990,894
Total receipts	10,120,604	1,190,739	3,241,850	1,668,694	439,190	1,582,743	1,472,472	19,716,292
Disbursements:								
Current:								
Instruction	3,248,639	-	-	-	-	-	120,213	3,368,852
Support services	3,841,142	741,707	-	998,960	540,627	105,624	620,433	6,848,493
Community services	40,602	-	-	-	-	-	-	40,602
Nonprogrammed charges	2,275,996	400,000	650,000	1,098,843	150,000	1,582,743	149,421	6,307,003
Debt services	1,500,000	400,000	3,271,260	-	-	-	296,156	5,467,416
Total disbursements	10,906,379	1,541,707	3,921,260	2,097,803	690,627	1,688,367	1,186,223	22,032,366
Excess (deficiency) of receipts over disbursements	(785,775)	(350,968)	(679,410)	(429,109)	(251,437)	(105,624)	286,249	(2,316,074)
Other financing sources (uses):								
Transfers in	126,450	25,459	64,491	15,813	4,031	-	9,565	245,809
Transfers out	-	-	-	-	-	-	(245,809)	(245,809)
Total other financing sources (uses)	126,450	25,459	64,491	15,813	4,031	-	(236,244)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(659,325)	(325,509)	(614,919)	(413,296)	(247,406)	(105,624)	50,005	(2,316,074)
Cash and investments - beginning	1,616,228	454,917	841,876	721,651	275,723	635,968	442,113	4,988,476
Cash and investments - ending	\$ 956,903	\$ 129,408	\$ 226,957	\$ 308,355	\$ 28,317	\$ 530,344	\$ 492,118	\$ 2,672,402
Net assets of governmental activities								<u>\$ 2,672,402</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 956,903	\$ 129,408	\$ -	\$ 308,355	\$ 28,317	\$ 530,344	\$ 601,380	\$ 2,554,707
Restricted assets:								
Cash and investments	-	-	226,957	-	-	-	(109,262)	117,695
Total cash and investment assets - ending	\$ 956,903	\$ 129,408	\$ 226,957	\$ 308,355	\$ 28,317	\$ 530,344	\$ 492,118	\$ 2,672,402
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ 226,957	\$ -	\$ -	\$ -	\$ (109,262)	\$ 117,695
Unrestricted	956,903	129,408	-	308,355	28,317	530,344	601,380	2,554,707
Total cash and investment fund balance - ending	\$ 956,903	\$ 129,408	\$ 226,957	\$ 308,355	\$ 28,317	\$ 530,344	\$ 492,118	\$ 2,672,402

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

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

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 2,987,923	
Investment earnings:		
Interest	11,504	
Total additions	2,999,427	
Deductions:		
Benefits	3,544,721	
Excess (deficiency) of total additions over total deductions	(545,294)	
Cash and investment fund balance - beginning	2,366,730	
Cash and investment fund balance - ending	\$ 1,821,436	
Net assets:		
Cash and investments basis held in trust	\$ 1,821,436	\$ 235,480

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

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

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 3,494,213	
Investment earnings:		
Interest	<u>17,377</u>	
Total additions	<u>3,511,590</u>	
Deductions:		
Benefits	<u>3,683,486</u>	
Deficiency of total additions over total deductions	(171,896)	
Cash and investment fund balance - beginning	<u>1,821,436</u>	
Cash and investment fund balance - ending	<u>\$ 1,649,540</u>	<u>\$ 214,299</u>
Net assets:		
Cash and investments basis held in trust	<u>\$ 1,649,540</u>	<u>\$ 214,299</u>

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

SOUTH PUTNAM COMMUNITY 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 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, proprietary 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.

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.

SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

The administration building construction fund accounts for planned construction, repair, or remodeling of the administration building.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance fund which accumulates resources for pension benefit payments.

The agency fund accounts for assets held by the School Corporation as an agent for payroll.

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 statements.

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, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund schedules to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial schedules. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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.

SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

Normally 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 may 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:

SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Transfer From	Transfer To	2006	2007
General Fund	Other governmental	\$ 74,229	\$ -
Debt service	Transportation	81,266	-
Construction Administration Building	Capital projects	1,850,000	-
Debt service	Other governmental	271,758	-
Capital projects	Other governmental	15,813	-
Transportation	Other governmental	25,459	-
Bus Replacement	Other governmental	4,031	-
Other governmental	General Fund	-	126,450
Other governmental	Debt Service	-	64,491
Other governmental	Capital projects	13,998	15,813
Other governmental	Transportation	-	25,459
Other governmental	School Bus Replacement	-	4,031
Other governmental	Other governmental	23,777	9,565
Totals		<u>\$ 2,360,331</u>	<u>\$ 245,809</u>

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

Note 7. Pension Plan

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

SOUTH PUTNAM COMMUNITY 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.

SOUTH PUTNAM COMMUNITY 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	Rainy Day	School Lunch	Textbook Rental	Levy Excess	Education License Plates
Receipts:						
Local sources	\$ 13,184	\$ -	\$ 326,795	\$ 145,637	\$ -	\$ -
Intermediate sources	-	-	-	-	-	338
State sources	31,270	-	7,296	19,230	-	-
Federal sources	-	-	137,017	-	-	-
Bonds and loans	100,000	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	2,739	20,281	-	-
Total receipts	144,454	-	473,847	185,148	-	338
Disbursements:						
Current:						
Instruction	31,851	7,733	-	-	-	-
Support services	25,231	1,699	438,296	183,782	-	-
Community services	-	-	-	-	-	-
Debt services	50,000	-	-	-	-	-
Total disbursements	107,082	9,432	438,296	183,782	-	-
Excess (deficiency) of receipts over disbursements	37,372	(9,432)	35,551	1,366	-	338
Other financing sources (uses):						
Transfers in	-	207,267	-	-	193,588	-
Transfers out	(231)	-	-	-	-	-
Total other financing sources (uses)	(231)	207,267	-	-	193,588	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	37,141	197,835	35,551	1,366	193,588	338
Cash and investments - beginning	(26,892)	-	(142,976)	47,197	-	2,208
Cash and investments - ending	\$ 10,249	\$ 197,835	\$ (107,425)	\$ 48,563	\$ 193,588	\$ 2,546
Cash and Investment Assets - Ending						
Cash and investments	\$ 10,249	\$ 197,835	\$ (107,425)	\$ 48,563	\$ 193,588	\$ 2,546
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,249	\$ 197,835	\$ (107,425)	\$ 48,563	\$ 193,588	\$ 2,546
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,249	197,835	(107,425)	48,563	193,588	2,546
Total cash and investment fund balance - ending	\$ 10,249	\$ 197,835	\$ (107,425)	\$ 48,563	\$ 193,588	\$ 2,546

SOUTH PUTNAM COMMUNITY 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)

	Alternative Education Grant	Economic Education Grant	Gifted/Talented Instruction Grant	Scholarships	Non-English Speaking	School Incentive Awards
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	12,716	-	22	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>12,716</u>	<u>-</u>	<u>22</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	1,684	-	-	-
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>11,032</u>	<u>-</u>	<u>22</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>11,032</u>	<u>-</u>	<u>22</u>	<u>-</u>
Cash and investments - beginning	<u>7,986</u>	<u>2,500</u>	<u>-</u>	<u>222</u>	<u>156</u>	<u>112</u>
Cash and investments - ending	<u>\$ 7,986</u>	<u>\$ 2,500</u>	<u>\$ 11,032</u>	<u>\$ 222</u>	<u>\$ 178</u>	<u>\$ 112</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 7,986	\$ 2,500	\$ 11,032	\$ 222	\$ 178	\$ 112
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 7,986</u>	<u>\$ 2,500</u>	<u>\$ 11,032</u>	<u>\$ 222</u>	<u>\$ 178</u>	<u>\$ 112</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>7,986</u>	<u>2,500</u>	<u>11,032</u>	<u>222</u>	<u>178</u>	<u>112</u>
Total cash and investment fund balance - ending	<u>\$ 7,986</u>	<u>\$ 2,500</u>	<u>\$ 11,032</u>	<u>\$ 222</u>	<u>\$ 178</u>	<u>\$ 112</u>

SOUTH PUTNAM COMMUNITY 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 I 05-06	Title I 04-05	Title V-A Innovative Programs	Drug Free Schools	Project Lead The Way
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 34,857
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	104,170	-	4,337	5,273	30,000
Bonds and loans	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	104,170	-	4,337	5,273	64,857
Disbursements:					
Current:					
Instruction	80,925	-	5,160	-	126
Support services	31,456	-	-	5,866	-
Community services	864	-	-	-	-
Debt services	-	-	-	-	-
Total disbursements	113,245	-	5,160	5,866	126
Excess (deficiency) of receipts over disbursements	(9,075)	-	(823)	(593)	64,731
Other financing sources (uses):					
Transfers in	14,212	-	-	-	-
Transfers out	-	(14,212)	(13,998)	-	-
Total other financing sources (uses)	14,212	(14,212)	(13,998)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,137	(14,212)	(14,821)	(593)	64,731
Cash and investments - beginning	-	14,212	20,602	373	(64,731)
Cash and investments - ending	\$ 5,137	\$ -	\$ 5,781	\$ (220)	\$ -
Cash and Investment Assets - Ending					
Cash and investments	\$ 5,137	\$ -	\$ 5,781	\$ (220)	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ 5,137	\$ -	\$ 5,781	\$ (220)	\$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,137	-	5,781	(220)	-
Total cash and investment fund balance - ending	\$ 5,137	\$ -	\$ 5,781	\$ (220)	\$ -

SOUTH PUTNAM COMMUNITY 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)

	Team Nutrition Grant	Title II Part A	Title II Part D	Retirement/ Severance Bond	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 248,257	\$ 768,730
Intermediate sources	-	-	-	-	338
State sources	-	-	-	-	70,534
Federal sources	500	44,986	2,248	-	328,531
Bonds and loans	-	-	-	-	100,000
Sale of property, adjustments and refunds	-	-	-	-	23,020
Total receipts	500	44,986	2,248	248,257	1,291,153
Disbursements:					
Current:					
Instruction	257	-	-	-	127,736
Support services	99	-	-	-	686,429
Community services	-	-	-	-	864
Debt services	-	-	-	244,485	294,485
Total disbursements	356	-	-	244,485	1,109,514
Excess (deficiency) of receipts over disbursements	144	44,986	2,248	3,772	181,639
Other financing sources (uses):					
Transfers in	-	-	-	-	415,067
Transfers out	-	-	-	(9,334)	(37,775)
Total other financing sources (uses)	-	-	-	(9,334)	377,292
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	144	44,986	2,248	(5,562)	558,931
Cash and investments - beginning	-	-	2,941	19,272	(116,818)
Cash and investments - ending	\$ 144	\$ 44,986	\$ 5,189	\$ 13,710	\$ 442,113
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 144	\$ 44,986	\$ 5,189	\$ -	\$ 428,403
Restricted assets:					
Cash and investments	-	-	-	13,710	13,710
Total cash and investment assets - ending	\$ 144	\$ 44,986	\$ 5,189	\$ 13,710	\$ 442,113
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 13,710	\$ 13,710
Unrestricted	144	44,986	5,189	-	428,403
Total cash and investment fund balance - ending	\$ 144	\$ 44,986	\$ 5,189	\$ 13,710	\$ 442,113

SOUTH PUTNAM COMMUNITY 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	Rainy Day	School Lunch	Textbook Rental	Levy Excess	Education License Plates	Alternative Education Grant
Receipts:							
Local sources	\$ 3,551	\$ -	\$ 381,829	\$ 125,043	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	431	-
State sources	39,243	-	6,825	16,458	-	-	-
Federal sources	-	-	73,242	-	-	-	-
Sale of property, adjustments and refunds	54,850	149,421	115,558	9,636	-	-	-
Total receipts	97,644	149,421	577,454	151,137	-	431	-
Disbursements:							
Current:							
Instruction	22,575	3,554	-	-	-	-	-
Support services	13,324	13,601	433,779	130,437	-	-	-
Nonprogrammed charges	-	149,421	-	-	-	-	-
Debt services	50,000	-	-	-	-	-	-
Total disbursements	85,899	166,576	433,779	130,437	-	-	-
Excess (deficiency) of receipts over disbursements	11,745	(17,155)	143,675	20,700	-	431	-
Other financing sources (uses):							
Transfers in	231	-	-	-	-	-	-
Transfers out	-	-	-	-	(193,588)	-	-
Total other financing sources (uses)	231	-	-	-	(193,588)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,976	(17,155)	143,675	20,700	(193,588)	431	-
Cash and investments - beginning	10,249	197,835	(107,425)	48,563	193,588	2,546	7,986
Cash and investments - ending	<u>\$ 22,225</u>	<u>\$ 180,680</u>	<u>\$ 36,250</u>	<u>\$ 69,263</u>	<u>\$ -</u>	<u>\$ 2,977</u>	<u>\$ 7,986</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 22,225	\$ 180,680	\$ 36,250	\$ 69,263	\$ -	\$ 2,977	\$ 7,986
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 22,225	\$ 180,680	\$ 36,250	\$ 69,263	\$ -	\$ 2,977	\$ 7,986
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	22,225	180,680	36,250	69,263	-	2,977	7,986
Total cash and investment fund balance - ending	\$ 22,225	\$ 180,680	\$ 36,250	\$ 69,263	\$ -	\$ 2,977	\$ 7,986

SOUTH PUTNAM COMMUNITY 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)

	Donations	Economic Education Grant	Gifted/ Talented	Gifted/Talented Instruction Grant	Scholarships	Non-English Speaking
Receipts:						
Local sources	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	12,716	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	10,000	-	12,716	-	-	-
Disbursements:						
Current:						
Instruction	4,208	-	9,703	3,797	-	-
Support services	-	-	523	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	4,208	-	10,226	3,797	-	-
Excess (deficiency) of receipts over disbursements	5,792	-	2,490	(3,797)	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(7,235)	-	-
Total other financing sources (uses)	-	-	-	(7,235)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,792	-	2,490	(11,032)	-	-
Cash and investments - beginning	-	2,500	-	11,032	222	178
Cash and investments - ending	<u>\$ 5,792</u>	<u>\$ 2,500</u>	<u>\$ 2,490</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 178</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,792	\$ 2,500	\$ 2,490	\$ -	\$ 222	\$ 178
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,792</u>	<u>\$ 2,500</u>	<u>\$ 2,490</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 178</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,792	2,500	2,490	-	222	178
Total cash and investment fund balance - ending	<u>\$ 5,792</u>	<u>\$ 2,500</u>	<u>\$ 2,490</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 178</u>

SOUTH PUTNAM COMMUNITY 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)

	School Incentive Awards	Title I 05-06	Title I 06-07	Title V-A Innovative Programs	Drug Free Schools	Project Lead The Way
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	111,557	-	-	76,128
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	111,557	-	-	76,128
Disbursements:						
Current:						
Instruction	-	5,070	61,184	-	-	9,978
Support services	-	67	27,095	-	897	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	5,137	88,279	-	897	9,978
Excess (deficiency) of receipts over disbursements	-	(5,137)	23,278	-	(897)	66,150
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	-	(5,137)	23,278	-	(897)	66,150
Cash and investments - beginning	112	5,137	-	5,781	(220)	-
Cash and investments - ending	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 23,278</u>	<u>\$ 5,781</u>	<u>\$ (1,117)</u>	<u>\$ 66,150</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 112	\$ -	\$ 23,278	\$ 5,781	\$ (1,117)	\$ 66,150
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 23,278</u>	<u>\$ 5,781</u>	<u>\$ (1,117)</u>	<u>\$ 66,150</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	112	-	23,278	5,781	(1,117)	66,150
Total cash and investment fund balance - ending	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 23,278</u>	<u>\$ 5,781</u>	<u>\$ (1,117)</u>	<u>\$ 66,150</u>

SOUTH PUTNAM COMMUNITY 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)

	Team Nutrition Grant	Title II Part A	Title II Part D	Retirement/ Severance Bond	Fillmore Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 113,850	\$ -	\$ 634,273
Intermediate sources	-	-	-	-	-	431
State sources	-	-	-	-	-	75,242
Federal sources	-	-	-	-	-	260,927
Sale of property, adjustments and refunds	-	-	-	-	172,134	501,599
Total receipts	-	-	-	113,850	172,134	1,472,472
Disbursements:						
Current:						
Instruction	144	-	-	-	-	120,213
Support services	-	-	710	-	-	620,433
Nonprogrammed charges	-	-	-	-	-	149,421
Debt services	-	-	-	246,156	-	296,156
Total disbursements	144	-	710	246,156	-	1,186,223
Excess (deficiency) of receipts over disbursements	(144)	-	(710)	(132,306)	172,134	286,249
Other financing sources (uses):						
Transfers in	-	-	-	9,334	-	9,565
Transfers out	-	(44,986)	-	-	-	(245,809)
Total other financing sources (uses)	-	(44,986)	-	9,334	-	(236,244)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(144)	(44,986)	(710)	(122,972)	172,134	50,005
Cash and investments - beginning	144	44,986	5,189	13,710	-	442,113
Cash and investments - ending	\$ -	\$ -	\$ 4,479	\$ (109,262)	\$ 172,134	\$ 492,118
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 4,479	\$ -	\$ 172,134	\$ 601,380
Restricted assets:						
Cash and investments	-	-	-	(109,262)	-	(109,262)
Total cash and investment assets - ending	\$ -	\$ -	\$ 4,479	\$ (109,262)	\$ 172,134	\$ 492,118
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ (109,262)	\$ -	\$ (109,262)
Unrestricted	-	-	4,479	-	172,134	601,380
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 4,479	\$ (109,262)	\$ 172,134	\$ 492,118

SOUTH PUTNAM COMMUNITY 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:		
Administration Building	\$ 4,020,000	\$ 205,000
Central Elementary School	6,660,000	335,000
Fillmore Elementary School	9,185,000	215,000
South Putnam High School	1,643,454	580,000
Buses	55,000	55,000
Energy Savings Contract	162,000	31,000
Loan payable	600,000	75,000
Bonds payable:		
General obligation bonds:		
Pension	<u>2,720,000</u>	<u>100,000</u>
Total governmental activities debt	<u>\$ 25,045,454</u>	<u>\$ 1,596,000</u>

SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES – CORPORATION

The Lunch and Drug Free School Funds were overdrawn at June 30, 2006. The Retirement/Severance Bond Fund and the Drug Free School Funds were overdrawn at June 30, 2007.

The 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)

COMPENSATION AND BENEFITS - CENTRAL ELEMENTARY

We noted one instance in which an individual received a payment for extra hours worked from the Extra-Curricular Student Activities Fund for the year 2006-2007 which was not included in the payroll system or on the salary resolution.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 11)

PRESCRIBED FORMS - SOUTH PUTNAM HIGH SCHOOL

The following prescribed or approved forms were not always used in the manner prescribed:

Receipt Edit Reports, used in lieu of Form SA-6, did not document receipt number or document control number.

Classifications of funds received on the computerized receipts, used in lieu of Form SA-3, were not entered correctly when the collections were comprised of a mixture of cash and checks.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2007, with Rebecca J. Samsel, Treasurer; and Bruce D. Bernhardt, Superintendent of Schools. The officials concurred with our findings.