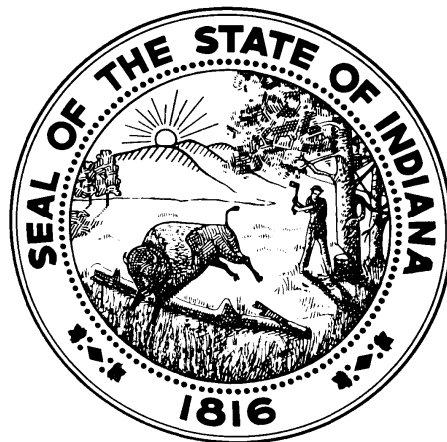


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
ARGOS COMMUNITY SCHOOLS  
MARSHALL COUNTY, INDIANA  
July 1, 2005 to June 30, 2007



**FILED**  
05/13/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Thomas McFarland	07-01-05 to 06-30-08
Superintendent of Schools	Peter O'Rourke (Vacant) Barbara Flory	07-01-05 to 06-30-07 07-01-07 to 07-31-07 08-01-07 to 06-30-10
President of the School Board	Dr. John Haste	07-01-05 to 06-30-08



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ARGOS COMMUNITY SCHOOLS, MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of Argos Community Schools (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, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the examination of the basic financial information and, in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole. The 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. They 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

January 24, 2008

ARGOS COMMUNITY SCHOOLS  
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	\$ 2,242,209	\$ -	\$ 29,477	\$ (2,212,732)
Support services	3,081,282	152,317	96,388	(2,832,577)
Community services	79,142	-	-	(79,142)
Nonprogrammed charges	472,345	-	-	(472,345)
Debt service	<u>1,226,176</u>	<u>-</u>	<u>-</u>	<u>(1,226,176)</u>
Total governmental activities	<u>\$ 7,101,154</u>	<u>\$ 152,317</u>	<u>\$ 125,865</u>	<u>(6,822,972)</u>
General receipts:				
Property taxes				2,319,826
Other local sources				429,713
State aid				3,236,018
Bonds and loans				392,342
Grants and contributions not restricted to specific programs				157,933
Sale of property, adjustments, and refunds				262,553
Investment earnings				<u>81,880</u>
Total general receipts				<u>6,880,265</u>
Change in net assets				57,293
Net assets - beginning				<u>2,120,723</u>
Net assets - ending				<u>\$ 2,178,016</u>
<u>Assets</u>				
Cash and investments				\$ 1,861,625
Restricted assets:				
Cash and investments				<u>316,391</u>
Total assets				<u>\$ 2,178,016</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 316,391
Unrestricted				<u>1,861,625</u>
Total net assets				<u>\$ 2,178,016</u>

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

ARGOS COMMUNITY SCHOOLS  
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) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 2,374,160	\$ -	\$ 27,663	\$ (2,346,497)
Support services	3,118,778	147,950	103,865	(2,866,963)
Community services	72,846	-	-	(72,846)
Nonprogrammed charges	344,462	-	-	(344,462)
Debt service	<u>1,057,617</u>	<u>-</u>	<u>-</u>	<u>(1,057,617)</u>
Total governmental activities	<u>\$ 6,967,863</u>	<u>\$ 147,950</u>	<u>\$ 131,528</u>	<u>(6,688,385)</u>
General receipts:				
Property taxes				1,405,729
Other local sources				376,380
State aid				3,018,000
Bonds and loans				391,015
Grants and contributions not restricted to specific programs				176,794
Sale of property, adjustments, and refunds				138,765
Investment earnings				<u>104,263</u>
Total general receipts				<u>5,610,946</u>
Change in net assets				(1,077,439)
Net assets - beginning				<u>2,178,016</u>
Net assets - ending				<u>\$ 1,100,577</u>
<u>Assets</u>				
Cash and investments				\$ 1,011,263
Restricted assets:				
Cash and investments				<u>89,314</u>
Total assets				<u>\$ 1,100,577</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 89,314
Unrestricted				<u>1,011,263</u>
Total net assets				<u>\$ 1,100,577</u>

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

ARGOS COMMUNITY SCHOOLS  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,281,058	\$ 275,908	\$ 669,730	\$ 488,869	\$ 58,833	\$ 208,948	\$ 2,983,346
Intermediate sources	70	-	-	-	-	319	389
State sources	3,253,904	-	-	-	-	43,370	3,297,274
Federal sources	-	-	-	-	-	222,543	222,543
Bonds and loans	374,569	-	865	-	16,908	-	392,342
Sale of property, adjustments and refunds	125,938	1,433	-	-	-	135,182	262,553
<b>Total receipts</b>	<b>5,035,539</b>	<b>277,341</b>	<b>670,595</b>	<b>488,869</b>	<b>75,741</b>	<b>610,362</b>	<b>7,158,447</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,095,598	-	-	-	-	146,611	2,242,209
Support services	1,832,319	269,842	-	646,197	46,278	286,646	3,081,282
Community services	78,363	-	-	-	-	779	79,142
Nonprogrammed charges	370,764	1,147	3,108	2,098	271	94,957	472,345
Debt services	381,100	-	822,504	-	22,572	-	1,226,176
<b>Total disbursements</b>	<b>4,758,144</b>	<b>270,989</b>	<b>825,612</b>	<b>648,295</b>	<b>69,121</b>	<b>528,993</b>	<b>7,101,154</b>
Excess (deficiency) of receipts over disbursements	277,395	6,352	(155,017)	(159,426)	6,620	81,369	57,293
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	16,110	16,110
Transfers out	-	-	-	-	-	(16,110)	(16,110)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	277,395	6,352	(155,017)	(159,426)	6,620	81,369	57,293
Cash and investments - beginning	736,609	197,927	471,408	445,909	102,928	165,942	2,120,723
Cash and investments - ending	<u>\$ 1,014,004</u>	<u>\$ 204,279</u>	<u>\$ 316,391</u>	<u>\$ 286,483</u>	<u>\$ 109,548</u>	<u>\$ 247,311</u>	<u>\$ 2,178,016</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,014,004	\$ 204,279	\$ -	\$ 286,483	\$ 109,548	\$ 247,311	\$ 1,861,625
Restricted assets:							
Cash and investments	-	-	316,391	-	-	-	316,391
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,014,004</u></b>	<b><u>\$ 204,279</u></b>	<b><u>\$ 316,391</u></b>	<b><u>\$ 286,483</u></b>	<b><u>\$ 109,548</u></b>	<b><u>\$ 247,311</u></b>	<b><u>\$ 2,178,016</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 316,391	\$ -	\$ -	\$ -	\$ 316,391
Unrestricted	1,014,004	204,279	-	286,483	109,548	247,311	1,861,625
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,014,004</u></b>	<b><u>\$ 204,279</u></b>	<b><u>\$ 316,391</u></b>	<b><u>\$ 286,483</u></b>	<b><u>\$ 109,548</u></b>	<b><u>\$ 247,311</u></b>	<b><u>\$ 2,178,016</u></b>

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

ARGOS COMMUNITY SCHOOLS  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 873,708	\$ 197,170	\$ 420,348	\$ 337,977	\$ 36,918	\$ 167,830	\$ 2,033,951
Intermediate sources	70	-	-	-	-	300	370
State sources	3,034,189	-	-	-	-	76,223	3,110,412
Federal sources	-	-	-	-	-	215,909	215,909
Bonds and loans	391,015	-	-	-	-	-	391,015
Sale of property, adjustments and refunds	44,543	1,634	-	85,938	-	6,652	138,767
<b>Total receipts</b>	<b>4,343,525</b>	<b>198,804</b>	<b>420,348</b>	<b>423,915</b>	<b>36,918</b>	<b>466,914</b>	<b>5,890,424</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,258,564	-	-	-	-	115,596	2,374,160
Support services	1,923,205	288,894	-	411,934	37,689	457,056	3,118,778
Community services	72,634	-	-	-	-	212	72,846
Nonprogrammed charges	330,355	-	-	-	-	14,107	344,462
Debt services	393,284	-	647,425	-	16,908	-	1,057,617
<b>Total disbursements</b>	<b>4,978,042</b>	<b>288,894</b>	<b>647,425</b>	<b>411,934</b>	<b>54,597</b>	<b>586,971</b>	<b>6,967,863</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(634,517)</b>	<b>(90,090)</b>	<b>(227,077)</b>	<b>11,981</b>	<b>(17,679)</b>	<b>(120,057)</b>	<b>(1,077,439)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	10,327	10,327
Transfers out	(415)	-	-	-	-	(9,912)	(10,327)
<b>Total other financing sources (uses)</b>	<b>(415)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>415</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(634,932)</b>	<b>(90,090)</b>	<b>(227,077)</b>	<b>11,981</b>	<b>(17,679)</b>	<b>(119,642)</b>	<b>(1,077,439)</b>
<b>Cash and investments - beginning</b>	<b>1,014,004</b>	<b>204,279</b>	<b>316,391</b>	<b>286,483</b>	<b>109,548</b>	<b>247,311</b>	<b>2,178,016</b>
<b>Cash and investments - ending</b>	<b>\$ 379,072</b>	<b>\$ 114,189</b>	<b>\$ 89,314</b>	<b>\$ 298,464</b>	<b>\$ 91,869</b>	<b>\$ 127,669</b>	<b>\$ 1,100,577</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 379,072	\$ 114,189	\$ -	\$ 298,464	\$ 91,869	\$ 127,669	\$ 1,011,263
Restricted assets:							
Cash and investments	-	-	89,314	-	-	-	89,314
<b>Total cash and investment assets - ending</b>	<b>\$ 379,072</b>	<b>\$ 114,189</b>	<b>\$ 89,314</b>	<b>\$ 298,464</b>	<b>\$ 91,869</b>	<b>\$ 127,669</b>	<b>\$ 1,100,577</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 89,314	\$ -	\$ -	\$ -	\$ 89,314
Unrestricted	379,072	114,189	-	298,464	91,869	127,669	1,011,263
<b>Total cash and investment fund balance - ending</b>	<b>\$ 379,072</b>	<b>\$ 114,189</b>	<b>\$ 89,314</b>	<b>\$ 298,464</b>	<b>\$ 91,869</b>	<b>\$ 127,669</b>	<b>\$ 1,100,577</b>

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

ARGOS COMMUNITY SCHOOLS  
SCHEDULE OF ADDITIONS, DEDUCTIONS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2006

	Pension Trust Fund	Agency Fund
Additions:		
Contributions:		
Charges for services	\$ 42,629	
Temporary loan	24,149	
Other	7,602	
Total Contributions	74,380	
Investment earnings:		
Interest	246	
Total additions	74,626	
Deductions:		
Benefits	31,746	
Loan repayments	7,760	
Debt service	38,965	
Administrative and general	198	
Total deductions	78,669	
Deficiency of total additions over total deductions	(4,043)	
Cash and investment fund balance - beginning	15,675	
Cash and investment fund balance - ending	\$ 11,632	
Net assets:		
Cash and investments	\$ 11,632	\$ 28,156
Total net assets - cash and investment basis held in trust	\$ 11,632	\$ 28,156

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

ARGOS COMMUNITY SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS,  
AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2007

	Pension Trust Fund	Agency Fund
Additions:		
Contributions:		
Local	\$ 27,316	
Temporary loan	<u>29,476</u>	
Total additions	<u>56,792</u>	
Deductions:		
Debt service	48,426	
Administrative and general	<u>19,419</u>	
Total deductions	<u>67,845</u>	
Deficiency of total additions over total deductions	(11,053)	
Cash and investment fund balance - beginning	<u>11,632</u>	
Cash and investment fund balance - ending	<u>\$ 579</u>	
Net assets:		
Cash and investments	<u>\$ 579</u>	<u>\$ 32,414</u>
Total net assets - cash and investment basis held in trust	<u>\$ 579</u>	<u>\$ 32,414</u>

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

ARGOS COMMUNITY SCHOOLS  
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, 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 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.

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities for payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits made by the School Corporation in a trustee capacity and payment of bond debt.

Agency funds account for assets held by the School Corporation as an agent for the payroll deductions and serve as control of accounts for certain cash transactions during the time they are a liability of the School Corporation.

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

The government-wide and governmental 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.

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.

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 or internal service funds.

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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. The School Corporation received approximately 21% of the tax distribution which would be due them in the June 2007 settlement. The remainder was received September 17, 2007.

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:

Transfer From	Transfer To	2006	2007
General Fund	Other governmental funds	\$ -	\$ 415
Other governmental funds	Other governmental funds	<u>16,110</u>	<u>9,912</u>
Totals		<u>\$ 16,110</u>	<u>\$ 10,327</u>

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

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.

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plate	Library Printed Material	School Safe Haven
<b>Receipts:</b>							
Local sources	\$ 3,361	\$ 116,722	\$ 35,594	\$ 11,566	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	319	-	-
State sources	16,335	4,359	9,585	-	-	-	1,499
Federal sources	-	79,560	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<u>19,696</u>	<u>200,641</u>	<u>45,179</u>	<u>11,566</u>	<u>319</u>	<u>-</u>	<u>1,499</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	-	185,259	59,021	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	24,673	-	-	70,284	-	-	-
<b>Total disbursements</b>	<u>24,673</u>	<u>185,259</u>	<u>59,021</u>	<u>70,284</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(4,977)</u>	<u>15,382</u>	<u>(13,842)</u>	<u>(58,718)</u>	<u>319</u>	<u>-</u>	<u>1,499</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(4,977)</u>	<u>15,382</u>	<u>(13,842)</u>	<u>(58,718)</u>	<u>319</u>	<u>-</u>	<u>1,499</u>
<b>Cash and investments - beginning</b>	<u>13,690</u>	<u>21,116</u>	<u>(8,606)</u>	<u>70,284</u>	<u>525</u>	<u>13</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 8,713</u>	<u>\$ 36,498</u>	<u>\$ (22,448)</u>	<u>\$ 11,566</u>	<u>\$ 844</u>	<u>\$ 13</u>	<u>\$ 1,499</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<u>\$ 8,713</u>	<u>\$ 36,498</u>	<u>\$ (22,448)</u>	<u>\$ 11,566</u>	<u>\$ 844</u>	<u>\$ 13</u>	<u>\$ 1,499</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<u>\$ 8,713</u>	<u>\$ 36,498</u>	<u>\$ (22,448)</u>	<u>\$ 11,566</u>	<u>\$ 844</u>	<u>\$ 13</u>	<u>\$ 1,499</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Wal-Mart Literacy	Study Council	2004/2005	Gifted and Talented 2005/2006	Tech Prep Staff Development	Indiana Arts Commission
<b>Receipts:</b>						
Local sources	\$ -	\$ 40,005	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	11,395	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>40,005</b>	<b>-</b>	<b>11,395</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	9,122	3,449	-	-
Support services	991	10,101	494	46	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>991</b>	<b>10,101</b>	<b>9,616</b>	<b>3,495</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(991)	29,904	(9,616)	7,900	-	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(991)	29,904	(9,616)	7,900	-	-
Cash and investments - beginning	1,000	-	9,616	-	383	218
Cash and investments - ending	<u>\$ 9</u>	<u>\$ 29,904</u>	<u>\$ -</u>	<u>\$ 7,900</u>	<u>\$ 383</u>	<u>\$ 218</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	<u>\$ 9</u>	<u>\$ 29,904</u>	<u>\$ -</u>	<u>\$ 7,900</u>	<u>\$ 383</u>	<u>\$ 218</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	<u>\$ 9</u>	<u>\$ 29,904</u>	<u>\$ -</u>	<u>\$ 7,900</u>	<u>\$ 383</u>	<u>\$ 218</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Non-English Speaking Program	School Technology	Performance Based Award	TEI - Tech Prep	Title I 2004/2005	Title I 2005/2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	197	-	-	-	-	-
Federal sources	-	-	-	-	8,900	88,378
Sale of property, adjustments and refunds	-	5,182	-	-	-	-
	<u>197</u>	<u>5,182</u>	<u>-</u>	<u>-</u>	<u>8,900</u>	<u>88,378</u>
Total receipts						
Disbursements:						
Current:						
Instruction	-	7,418	-	-	694	77,884
Support services	-	-	-	-	2,234	25,619
Community services	-	-	-	-	-	779
Nonprogrammed charges	-	-	-	-	-	-
	<u>-</u>	<u>7,418</u>	<u>-</u>	<u>-</u>	<u>2,928</u>	<u>104,282</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>197</u>	<u>(2,236)</u>	<u>-</u>	<u>-</u>	<u>5,972</u>	<u>(15,904)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	16,110
Transfers out	-	-	-	-	(16,110)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,110)</u>	<u>16,110</u>
Total other financing sources (uses)						
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	197	(2,236)	-	-	(10,138)	206
Cash and investments - beginning	<u>178</u>	<u>2,714</u>	<u>610</u>	<u>132</u>	<u>10,138</u>	<u>-</u>
Cash and investments - ending	<u>\$ 375</u>	<u>\$ 478</u>	<u>\$ 610</u>	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 206</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 375</u>	<u>\$ 478</u>	<u>\$ 610</u>	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 206</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 375</u>	<u>\$ 478</u>	<u>\$ 610</u>	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 206</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Chapter VI	Chapter V Part A	Career Education	Drug Free Schools 2004/2005	Drug Free Schools 2005/2006	Marshall County Drug Free
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,700
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,413	2,884	3,828	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>2,413</b>	<b>2,884</b>	<b>3,828</b>	<b>-</b>	<b>1,700</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	3,591	-	3,043	1,095	1,667
Support services	-	-	2,884	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,591</b>	<b>2,884</b>	<b>3,043</b>	<b>1,095</b>	<b>1,667</b>
Excess (deficiency) of receipts over disbursements	-	(1,178)	-	785	(1,095)	33
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,178)	-	785	(1,095)	33
Cash and investments - beginning	1,607	3,591	-	2,507	4,060	1,439
Cash and investments - ending	<u>\$ 1,607</u>	<u>\$ 2,413</u>	<u>\$ -</u>	<u>\$ 3,292</u>	<u>\$ 2,965</u>	<u>\$ 1,472</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	<u>\$ 1,607</u>	<u>\$ 2,413</u>	<u>\$ -</u>	<u>\$ 3,292</u>	<u>\$ 2,965</u>	<u>\$ 1,472</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	<u>\$ 1,607</u>	<u>\$ 2,413</u>	<u>\$ -</u>	<u>\$ 3,292</u>	<u>\$ 2,965</u>	<u>\$ 1,472</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Tobacco Education	Improving Teacher Quality - NCLB	Title II Part D	Challenge Technology	Construction	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,948
Intermediate sources	-	-	-	-	-	319
State sources	-	-	-	-	-	43,370
Federal sources	-	34,494	2,086	-	-	222,543
Sale of property, adjustments and refunds	-	-	-	-	130,000	135,182
<b>Total receipts</b>	<b>-</b>	<b>34,494</b>	<b>2,086</b>	<b>-</b>	<b>130,000</b>	<b>610,362</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	34,736	3,912	-	-	146,611
Support services	-	-	-	-	-	286,649
Community services	-	-	-	-	-	779
Nonprogrammed charges	-	-	-	-	-	94,957
<b>Total disbursements</b>	<b>-</b>	<b>34,736</b>	<b>3,912</b>	<b>-</b>	<b>-</b>	<b>528,996</b>
Excess (deficiency) of receipts over disbursements	-	(242)	(1,826)	-	130,000	81,366
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	16,110
Transfers out	-	-	-	-	-	(16,110)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(242)	(1,826)	-	130,000	81,366
Cash and investments - beginning	245	17,368	4,064	9,053	-	165,945
Cash and investments - ending	<u>\$ 245</u>	<u>\$ 17,126</u>	<u>\$ 2,238</u>	<u>\$ 9,053</u>	<u>\$ 130,000</u>	<u>\$ 247,311</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	<u>\$ 245</u>	<u>\$ 17,126</u>	<u>\$ 2,238</u>	<u>\$ 9,053</u>	<u>\$ 130,000</u>	<u>\$ 247,311</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	<u>\$ 245</u>	<u>\$ 17,126</u>	<u>\$ 2,238</u>	<u>\$ 9,053</u>	<u>\$ 130,000</u>	<u>\$ 247,311</u>

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Education License Plate	Library Printed Material	School Safe Haven
<b>Receipts:</b>							
Local sources	\$ 2,296	\$ 113,154	\$ 34,796	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	300	-	-
State sources	12,058	3,679	14,143	-	-	-	5,197
Federal sources	-	83,159	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<u>14,354</u>	<u>199,992</u>	<u>48,939</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>5,197</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	-	197,344	44,975	-	-	13	6,696
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	14,107	-	-	-	-	-	-
<b>Total disbursements</b>	<u>14,107</u>	<u>197,344</u>	<u>44,975</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>6,696</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>247</u>	<u>2,648</u>	<u>3,964</u>	<u>-</u>	<u>300</u>	<u>(13)</u>	<u>(1,499)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>247</u>	<u>2,648</u>	<u>3,964</u>	<u>-</u>	<u>300</u>	<u>(13)</u>	<u>(1,499)</u>
<b>Cash and investments - beginning</b>	<u>8,713</u>	<u>36,498</u>	<u>(22,448)</u>	<u>11,566</u>	<u>844</u>	<u>13</u>	<u>1,499</u>
<b>Cash and investments - ending</b>	<u>\$ 8,960</u>	<u>\$ 39,146</u>	<u>\$ (18,484)</u>	<u>\$ 11,566</u>	<u>\$ 1,144</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<u>\$ 8,960</u>	<u>\$ 39,146</u>	<u>\$ (18,484)</u>	<u>\$ 11,566</u>	<u>\$ 1,144</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<u>\$ 8,960</u>	<u>\$ 39,146</u>	<u>\$ (18,484)</u>	<u>\$ 11,566</u>	<u>\$ 1,144</u>	<u>\$ -</u>	<u>\$ -</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Wal-Mart Literacy	Study Council	Gifted and Talented 2005/2006	Gifted and Talented 2006/2007	Tech Prep Staff Development	Indiana Arts Commission	Non-English Speaking Program
<b>Receipts:</b>							
Local sources	\$ -	\$ 15,554	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	11,395	-	-	78
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>15,554</b>	<b>-</b>	<b>11,395</b>	<b>-</b>	<b>-</b>	<b>78</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	7,879	6,152	-	-	-
Support services	9	45,458	436	263	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>9</b>	<b>45,458</b>	<b>8,315</b>	<b>6,415</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(9)	(29,904)	(8,315)	4,980	-	-	78
<b>Other financing sources (uses):</b>							
Transfers in	-	-	415	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9)	(29,904)	(7,900)	4,980	-	-	78
Cash and investments - beginning	9	29,904	7,900	-	383	218	375
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 4,980	\$ 383	\$ 218	\$ 453
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ 4,980	\$ 383	\$ 218	\$ 453
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ -	\$ -	\$ -	\$ 4,980	\$ 383	\$ 218	\$ 453

ARGOS COMMUNITY SCHOOLS  
 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 Technology	Technology Plan Program	Performance Based Award	TEI - Tech Prep	Title I 2005/2006	Title I 2006/2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	29,673	-	-	-	-
Federal sources	-	-	-	-	8,000	84,003
Sale of property, adjustments and refunds	6,651	-	-	-	-	-
<b>Total receipts</b>	<b>6,651</b>	<b>29,673</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>84,003</b>
Disbursements:						
Current:						
Instruction	4,542	-	-	-	(3,981)	62,503
Support services	-	-	-	-	2,275	26,703
Community services	-	-	-	-	-	212
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,542</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,706)</b>	<b>89,418</b>
Excess (deficiency) of receipts over disbursements	2,109	29,673	-	-	9,706	(5,415)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	9,912
Transfers out	-	-	-	-	(9,912)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,912)</b>	<b>9,912</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,109	29,673	-	-	(206)	4,497
Cash and investments - beginning	478	-	610	132	206	-
Cash and investments - ending	<u>\$ 2,587</u>	<u>\$ 29,673</u>	<u>\$ 610</u>	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 4,497</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 2,587</u>	<u>\$ 29,673</u>	<u>\$ 610</u>	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 4,497</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 2,587</u>	<u>\$ 29,673</u>	<u>\$ 610</u>	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 4,497</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Chapter VI	Chapter V Part A	Chapter VI	Drug Free Schools 2006/2007	Drug Free Schools 2005/2006	Marshall County Drug Free
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,030
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	1,146	2,884	2,679	-	-
Sale of property, adjustments and refunds	-	-	-	1	-	-
<b>Total receipts</b>	<b>-</b>	<b>1,146</b>	<b>2,884</b>	<b>2,680</b>	<b>-</b>	<b>2,030</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	2,413	-	-	130	1,555
Support services	-	-	2,884	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>2,413</b>	<b>2,884</b>	<b>-</b>	<b>130</b>	<b>1,555</b>
Excess (deficiency) of receipts over disbursements	-	(1,267)	-	2,680	(130)	475
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,267)	-	2,680	(130)	475
Cash and investments - beginning	1,607	2,413	-	3,292	2,965	1,472
Cash and investments - ending	<u>\$ 1,607</u>	<u>\$ 1,146</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ 2,835</u>	<u>\$ 1,947</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	<u>\$ 1,607</u>	<u>\$ 1,146</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ 2,835</u>	<u>\$ 1,947</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Unrestricted	<u>\$ 1,607</u>	<u>\$ 1,146</u>	<u>\$ -</u>	<u>\$ 5,972</u>	<u>\$ 2,835</u>	<u>\$ 1,947</u>

ARGOS COMMUNITY SCHOOLS  
 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)

	Tobacco Education	Improving Teacher Quality - NCLB	Title II Part D	Challenge Technology	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,830
Intermediate sources	-	-	-	-	-	300
State sources	-	-	-	-	-	76,223
Federal sources	-	34,038	-	-	-	215,909
Sale of property, adjustments and refunds	-	-	-	-	-	6,652
	<u>-</u>	<u>34,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,914</u>
Total receipts						
Disbursements:						
Current:						
Instruction	-	34,251	152	-	-	115,596
Support services	-	-	-	-	130,000	457,056
Community services	-	-	-	-	-	212
Nonprogrammed charges	-	-	-	-	-	14,107
	<u>-</u>	<u>34,251</u>	<u>152</u>	<u>-</u>	<u>130,000</u>	<u>586,971</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(213)</u>	<u>(152)</u>	<u>-</u>	<u>(130,000)</u>	<u>(120,057)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	10,327
Transfers out	-	-	-	-	-	(9,912)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415</u>
Total other financing sources (uses)						
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(213)</u>	<u>(152)</u>	<u>-</u>	<u>(130,000)</u>	<u>(119,642)</u>
Cash and investments - beginning	<u>245</u>	<u>17,126</u>	<u>2,238</u>	<u>9,053</u>	<u>130,000</u>	<u>247,311</u>
Cash and investments - ending	<u>\$ 245</u>	<u>\$ 16,913</u>	<u>\$ 2,086</u>	<u>\$ 9,053</u>	<u>\$ -</u>	<u>\$ 127,669</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 245</u>	<u>\$ 16,913</u>	<u>\$ 2,086</u>	<u>\$ 9,053</u>	<u>\$ -</u>	<u>\$ 127,669</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 245</u>	<u>\$ 16,913</u>	<u>\$ 2,086</u>	<u>\$ 9,053</u>	<u>\$ -</u>	<u>\$ 127,669</u>

ARGOS COMMUNITY SCHOOLS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For the Year Ended June 30, 2007

Primary Government

Governmental activities:

Capital assets, not being depreciated:

Land/Buildings	\$	11,864,834
Improvements other than buildings		48,253
Machinery and equipment		<u>1,004,306</u>

Total governmental activities, capital  
assets not being depreciated

\$ 12,917,393

ARGOS COMMUNITY SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For the Year Ended June 30, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Argos Community Schools Building Corporation 1998	\$ 4,435,000	\$ 502,000
Argos Community Schools Building Corporation 2006	1,450,000	64,000
Notes and loans payable		
Common School Loan	150,000	82,875
Bonds payable:		
General obligation bonds:		
2004 Pension Bond	<u>475,000</u>	<u>47,608</u>
<b>Total governmental activities debt</b>	<u><u>\$ 6,510,000</u></u>	<u><u>\$ 696,483</u></u>

ARGOS COMMUNITY SCHOOLS  
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The Textbook Rental Fund was overdrawn in the 2005-2006 and 2006-2007 school years by \$22,448 and \$18,484, respectively. A similar comment was in the prior Report B26702.

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)

ARGOS COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2008, with Thomas McFarland, Treasurer; Dr. John Haste, President of the School Board; James D. Burkett, School Board member; and Barbara Flory, Superintendent of Schools. The officials concurred with our finding.