

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
PUTNAM COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

02/02/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tanya J. Pearson	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Mary Sugg Lovejoy	07-01-09 to 06-30-12
President of the School Board	Debra K. Sillery	01-01-09 to 12-31-09
	Andrew Beck	01-01-10 to 12-31-10
	Charlie Boller	01-01-11 to 06-22-11
	(Vacant)	06-23-11 to 07-20-11
	Debra K. Sillery	07-21-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statement of the North Putnam Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, the Board of School Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 15, 2011



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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

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

We have audited the financial statement of the North Putnam Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

This report is intended solely for the information and use of the School Corporation's management, the Board of School Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 15, 2011

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 1,076,976	\$ 13,990,639	\$ 14,133,660	\$ 25,365	\$ 959,320	\$ 10,672,975	\$ 11,247,985	\$ -	\$ 384,310
Debt Service	(371,177)	2,552,282	1,540,913	(372,000)	268,192	1,677,371	1,237,977	(185,000)	522,586
Retirement/Severance Bond Debt Service	(105,666)	376,859	234,501	-	36,692	304,391	238,678	-	102,405
Capital Projects	(558,135)	1,957,581	1,058,118	-	341,328	1,620,973	1,274,728	-	687,573
School Transportation	(591,405)	1,579,828	988,423	-	-	1,003,904	872,791	26,652	157,765
School Bus Replacement	(92,245)	547,708	300,742	-	154,721	385,774	165,494	(175,000)	200,001
Special Education Preschool	48,004	44,310	76,998	(15,316)	-	-	-	-	-
Rainy Day	-	-	21,643	372,000	350,357	-	82,541	360,000	627,816
Retirement/Severance Bond	1,133,781	672	158,785	-	975,668	532	87,638	-	888,562
School Lunch	111,643	870,528	843,830	-	138,341	863,718	805,673	-	196,386
Textbook Rental	7,315	210,378	208,352	-	9,341	170,388	172,660	-	7,069
Levy Excess	-	-	-	-	-	26,919	267	(26,652)	-
2007-08 ONT Local	-	844,962	719,342	(10,049)	115,571	226,976	265,353	-	77,194
Putnam County Foundation Grant	1,322	-	231	-	1,091	999	1,387	-	703
Duke Energy Grant	-	-	-	-	-	1,000	-	-	1,000
Colts Grant/RD	300	-	197	-	103	1,576	641	-	1,038
Living To Serve (FFA)	-	7,030	-	-	7,030	-	6,494	-	536
No Excuses University	-	795	-	-	795	-	795	-	-
WalMart Grant/Brothers	-	-	-	-	-	500	-	-	500
Safe Haven	8,397	-	8,397	-	-	-	-	-	-
Wellness Program	845	3,020	1,101	-	2,764	2,329	658	-	4,435
High Ability 2009-10	-	33,055	15,063	-	17,992	-	17,992	-	-
High Ability 2010-11	-	-	-	-	-	32,560	11,317	-	21,243
High Ability 2008-09	15,075	-	15,075	-	-	-	-	-	-

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Drug Free Communities	401	592	555	-	438	3,588	1,400	-	2,626
Medicaid Reimbursement	41,165	849	48	-	41,966	3,834	2,069	-	43,731
Energy Challenge Award	-	-	-	-	-	8,250	-	-	8,250
Non-English Speaking Programs	41	-	-	-	41	-	-	-	41
School Technology	444	-	444	-	-	-	-	-	-
USAC Grant/TDS	11,452	16,378	14,020	-	13,810	14,164	5,612	-	22,362
Excess PTRC Distributions	-	29,545	-	-	29,545	-	-	-	29,545
Title I - 2009/10	-	304,792	283,382	28,835	50,245	26,769	64,844	(12,170)	-
Title I - 2010/11	-	-	-	-	-	255,263	262,328	14,643	7,578
Title I - 2008/09	101,813	52,234	122,739	(28,835)	2,473	-	-	(2,473)	-
Title V - 2007/08	1,149	-	1,149	-	-	-	-	-	-
Serve America	5,302	-	5,293	-	9	-	9	-	-
Safe and Drug-Free 2008/09	-	6,255	1,952	-	4,303	-	4,303	-	-
Safe and Drug-Free 2006/07 - Mid Sch	3	-	-	-	3	-	3	-	-
Safe and Drug-Free 2007/08	3,741	-	3,741	-	-	-	-	-	-
Safe and Drug-Free 2009/10	-	7,223	-	-	7,223	-	4,832	-	2,391
High Schools That Work	750	-	-	-	750	-	750	-	-
Improving Teaching Quality	17,203	64,597	81,800	-	-	40,000	40,000	-	-
Fiscal Stabilization - Education	469,752	361,500	831,252	-	-	-	-	-	-
Title I - Grants to LEAs (Recovery Act)	-	93,577	66,813	-	26,764	46,150	51,135	-	21,779
Qualified School Construction Bond	-	-	-	-	-	-	518,852	518,852	-
Education Jobs	-	-	-	-	-	273,786	269,288	-	4,498
Totals	<u>\$ 1,338,246</u>	<u>\$ 23,957,189</u>	<u>\$ 21,738,559</u>	<u>\$ -</u>	<u>\$ 3,556,876</u>	<u>\$ 17,664,689</u>	<u>\$ 17,716,494</u>	<u>\$ 518,852</u>	<u>\$ 4,023,923</u>

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Report of the School Corporation which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

-16-

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 1,076,976	\$ (371,177)	\$ (105,666)	\$ (558,135)	\$ (591,405)	\$ (92,245)	\$ 48,004	\$ -	\$ 1,133,781	\$ 111,643
Receipts:										
Local sources	37,667	2,552,282	376,859	1,957,581	1,579,828	547,708	3,060	-	672	463,381
Intermediate sources	325	-	-	-	-	-	-	-	-	-
State sources	10,702,647	-	-	-	-	-	41,250	-	-	9,912
Federal sources	-	-	-	-	-	-	-	-	-	397,235
Temporary loans	3,250,000	-	-	-	-	-	-	-	-	-
Total receipts	<u>13,990,639</u>	<u>2,552,282</u>	<u>376,859</u>	<u>1,957,581</u>	<u>1,579,828</u>	<u>547,708</u>	<u>44,310</u>	<u>-</u>	<u>672</u>	<u>870,528</u>
Disbursements:										
Current:										
Instruction	6,329,925	-	-	-	-	-	76,998	-	158,785	-
Support services	3,281,648	-	-	377,110	988,423	300,742	-	21,643	-	-
Noninstructional services	140,330	-	-	-	-	-	-	-	-	843,830
Facilities acquisition and construction	-	-	-	681,008	-	-	-	-	-	-
Debt services	4,000,000	1,540,913	234,501	-	-	-	-	-	-	-
Nonprogrammed charges	381,757	-	-	-	-	-	-	-	-	-
Total disbursements	<u>14,133,660</u>	<u>1,540,913</u>	<u>234,501</u>	<u>1,058,118</u>	<u>988,423</u>	<u>300,742</u>	<u>76,998</u>	<u>21,643</u>	<u>158,785</u>	<u>843,830</u>
Excess (deficiency) of receipts over disbursements	<u>(143,021)</u>	<u>1,011,369</u>	<u>142,358</u>	<u>899,463</u>	<u>591,405</u>	<u>246,966</u>	<u>(32,688)</u>	<u>(21,643)</u>	<u>(158,113)</u>	<u>26,698</u>
Other financing sources (uses):										
Transfers in	25,365	-	-	-	-	-	-	372,000	-	-
Transfers out	-	(372,000)	-	-	-	-	(15,316)	-	-	-
Total other financing sources (uses)	<u>25,365</u>	<u>(372,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,316)</u>	<u>372,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(117,656)</u>	<u>639,369</u>	<u>142,358</u>	<u>899,463</u>	<u>591,405</u>	<u>246,966</u>	<u>(48,004)</u>	<u>350,357</u>	<u>(158,113)</u>	<u>26,698</u>
Cash and investments - ending	<u>\$ 959,320</u>	<u>\$ 268,192</u>	<u>\$ 36,692</u>	<u>\$ 341,328</u>	<u>\$ -</u>	<u>\$ 154,721</u>	<u>\$ -</u>	<u>\$ 350,357</u>	<u>\$ 975,668</u>	<u>\$ 138,341</u>

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Textbook Rental	2007-08 ONT Local	Putnam County Foundation Grant	Colts Grant/RD	Living To Serve (FFA)	No Excuses University	Safe Haven	Wellness Program	High Ability 2009-10	High Ability 2008-09
Cash and investments - beginning	\$ 7,315	\$ -	\$ 1,322	\$ 300	\$ -	\$ -	\$ 8,397	\$ 845	\$ -	\$ 15,075
Receipts:										
Local sources	162,339	844,962	-	-	7,030	795	-	3,020	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	48,039	-	-	-	-	-	-	-	33,055	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	210,378	844,962	-	-	7,030	795	-	3,020	33,055	-
Disbursements:										
Current:										
Instruction	-	502,308	-	197	-	-	-	1,101	12,127	9,264
Support services	208,352	-	231	-	-	-	8,397	-	2,936	5,811
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	217,034	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	208,352	719,342	231	197	-	-	8,397	1,101	15,063	15,075
Excess (deficiency) of receipts over disbursements	2,026	125,620	(231)	(197)	7,030	795	(8,397)	1,919	17,992	(15,075)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(10,049)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(10,049)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,026	115,571	(231)	(197)	7,030	795	(8,397)	1,919	17,992	(15,075)
Cash and investments - ending	\$ 9,341	\$ 115,571	\$ 1,091	\$ 103	\$ 7,030	\$ 795	\$ -	\$ 2,764	\$ 17,992	\$ -

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

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	Drug Free Communities	Medicaid Reimbursement	Non-English Speaking Programs	School Technology	USAC Grant/ TDS	Excess PTRC Distributions	Title I - 2009/10	Title I - 2008/09	Title V - 2007/08	Serve America
Cash and investments - beginning	\$ 401	\$ 41,165	\$ 41	\$ 444	\$ 11,452	\$ -	\$ -	\$ 101,813	\$ 1,149	\$ 5,302
Receipts:										
Local sources	592	14	-	-	16,378	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	835	-	-	-	29,545	-	-	-	-
Federal sources	-	-	-	-	-	-	304,792	52,234	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	592	849	-	-	16,378	29,545	304,792	52,234	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	271,864	86,072	-	-
Support services	555	48	-	-	14,020	-	10,444	32,980	1,149	5,293
Noninstructional services	-	-	-	-	-	-	1,074	1,866	-	-
Facilities acquisition and construction	-	-	-	444	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	1,821	-	-
Total disbursements	555	48	-	444	14,020	-	283,382	122,739	1,149	5,293
Excess (deficiency) of receipts over disbursements	37	801	-	(444)	2,358	29,545	21,410	(70,505)	(1,149)	(5,293)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	28,835	-	-	-
Transfers out	-	-	-	-	-	-	-	(28,835)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	28,835	(28,835)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	37	801	-	(444)	2,358	29,545	50,245	(99,340)	(1,149)	(5,293)
Cash and investments - ending	\$ 438	\$ 41,966	\$ 41	\$ -	\$ 13,810	\$ 29,545	\$ 50,245	\$ 2,473	\$ -	\$ 9

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Safe and Drug-Free 2008/09	Safe and Drug-Free 2006/07 - Mid Sch	Safe and Drug-Free 2007/08	Safe and Drug-Free 2009/10	High Schools That Work	Improving Teaching Quality	Fiscal Stabilization - Education	Title I Grants to LEAs (Recovery Act)	Totals
Cash and investments - beginning	\$ -	\$ 3	\$ 3,741	\$ -	\$ 750	\$ 17,203	\$ 469,752	\$ -	\$ 1,338,246
Receipts:									
Local sources	-	-	-	-	-	-	-	-	8,554,168
Intermediate sources	-	-	-	-	-	-	-	-	325
State sources	-	-	-	-	-	-	-	-	10,865,283
Federal sources	6,255	-	-	7,223	-	64,597	361,500	93,577	1,287,413
Temporary loans	-	-	-	-	-	-	-	-	3,250,000
Total receipts	6,255	-	-	7,223	-	64,597	361,500	93,577	23,957,189
Disbursements:									
Current:									
Instruction	-	-	-	-	-	81,800	630,984	42,689	8,204,114
Support services	1,952	-	3,741	-	-	-	187,926	24,124	5,477,525
Noninstructional services	-	-	-	-	-	-	12,342	-	999,442
Facilities acquisition and construction	-	-	-	-	-	-	-	-	898,486
Debt services	-	-	-	-	-	-	-	-	5,775,414
Nonprogrammed charges	-	-	-	-	-	-	-	-	383,578
Total disbursements	1,952	-	3,741	-	-	81,800	831,252	66,813	21,738,559
Excess (deficiency) of receipts over disbursements	4,303	-	(3,741)	7,223	-	(17,203)	(469,752)	26,764	2,218,630
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	426,200
Transfers out	-	-	-	-	-	-	-	-	(426,200)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,303	-	(3,741)	7,223	-	(17,203)	(469,752)	26,764	2,218,630
Cash and investments - ending	\$ 4,303	\$ 3	\$ -	\$ 7,223	\$ 750	\$ -	\$ -	\$ 26,764	\$ 3,556,876

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 959,320	\$ 268,192	\$ 36,692	\$ 341,328	\$ -	\$ 154,721	\$ 350,357	\$ 975,668	\$ 138,341	\$ 9,341
Receipts:										
Local sources	55,338	1,677,371	304,391	1,620,973	1,003,904	385,774	-	532	461,528	121,755
Intermediate sources	514	-	-	-	-	-	-	-	-	-
State sources	10,617,123	-	-	-	-	-	-	-	9,183	48,633
Federal sources	-	-	-	-	-	-	-	-	393,007	-
Total receipts	<u>10,672,975</u>	<u>1,677,371</u>	<u>304,391</u>	<u>1,620,973</u>	<u>1,003,904</u>	<u>385,774</u>	<u>-</u>	<u>532</u>	<u>863,718</u>	<u>170,388</u>
Disbursements:										
Current:										
Instruction	5,912,992	-	-	-	-	-	-	87,638	-	-
Support services	2,669,198	-	-	707,707	872,791	165,494	82,541	-	-	172,660
Noninstructional services	116,135	-	-	-	-	-	-	-	805,673	-
Facilities acquisition and construction	-	-	-	567,021	-	-	-	-	-	-
Debt services	2,000,000	1,237,977	238,678	-	-	-	-	-	-	-
Nonprogrammed charges	549,660	-	-	-	-	-	-	-	-	-
Total disbursements	<u>11,247,985</u>	<u>1,237,977</u>	<u>238,678</u>	<u>1,274,728</u>	<u>872,791</u>	<u>165,494</u>	<u>82,541</u>	<u>87,638</u>	<u>805,673</u>	<u>172,660</u>
Excess (deficiency) of receipts over disbursements	<u>(575,010)</u>	<u>439,394</u>	<u>65,713</u>	<u>346,245</u>	<u>131,113</u>	<u>220,280</u>	<u>(82,541)</u>	<u>(87,106)</u>	<u>58,045</u>	<u>(2,272)</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	26,652	-	360,000	-	-	-
Transfers out	-	(185,000)	-	-	-	(175,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(185,000)</u>	<u>-</u>	<u>-</u>	<u>26,652</u>	<u>(175,000)</u>	<u>360,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(575,010)</u>	<u>254,394</u>	<u>65,713</u>	<u>346,245</u>	<u>157,765</u>	<u>45,280</u>	<u>277,459</u>	<u>(87,106)</u>	<u>58,045</u>	<u>(2,272)</u>
Cash and investments - ending	<u>\$ 384,310</u>	<u>\$ 522,586</u>	<u>\$ 102,405</u>	<u>\$ 687,573</u>	<u>\$ 157,765</u>	<u>\$ 200,001</u>	<u>\$ 627,816</u>	<u>\$ 888,562</u>	<u>\$ 196,386</u>	<u>\$ 7,069</u>

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Levy Excess	2007-08 ONT Local	Putnam County Foundation Grant	Duke Energy Grant	Colts Grant/RD	Living To Serve (FFA)	No Excuses University	WalMart Grant/ Brothers	Wellness Program	High Ability 2009-10
Cash and investments - beginning	\$ -	\$ 115,571	\$ 1,091	\$ -	\$ 103	\$ 7,030	\$ 795	\$ -	\$ 2,764	\$ 17,992
Receipts:										
Local sources	-	226,976	999	1,000	1,576	-	-	500	2,329	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	26,919	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	26,919	226,976	999	1,000	1,576	-	-	500	2,329	-
Disbursements:										
Current:										
Instruction	-	265,353	-	-	641	6,494	-	-	658	8,276
Support services	267	-	1,387	-	-	-	795	-	-	9,716
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	267	265,353	1,387	-	641	6,494	795	-	658	17,992
Excess (deficiency) of receipts over disbursements	26,652	(38,377)	(388)	1,000	935	(6,494)	(795)	500	1,671	(17,992)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(26,652)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(26,652)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(38,377)	(388)	1,000	935	(6,494)	(795)	500	1,671	(17,992)
Cash and investments - ending	\$ -	\$ 77,194	\$ 703	\$ 1,000	\$ 1,038	\$ 536	\$ -	\$ 500	\$ 4,435	\$ -

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	High Ability 2010-11	Drug Free Communities	Medicaid Reimbursement	Energy Challenge Award	Non-English Speaking Programs	USAC Grant/ TDS	Excess PTRC Distributions	Title I - 2009/10	Title I - 2010/11	Title I - 2008/09
Cash and investments - beginning	\$ -	\$ 438	\$ 41,966	\$ -	\$ 41	\$ 13,810	\$ 29,545	\$ 50,245	\$ -	\$ 2,473
Receipts:										
Local sources	-	3,588	14	8,250	-	14,164	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	32,560	-	3,820	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	26,769	255,263	-
Total receipts	32,560	3,588	3,834	8,250	-	14,164	-	26,769	255,263	-
Disbursements:										
Current:										
Instruction	10,873	-	-	-	-	-	-	63,755	261,954	-
Support services	444	1,400	2,069	-	-	5,612	-	-	25	-
Noninstructional services	-	-	-	-	-	-	-	1,089	349	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,317	1,400	2,069	-	-	5,612	-	64,844	262,328	-
Excess (deficiency) of receipts over disbursements	21,243	2,188	1,765	8,250	-	8,552	-	(38,075)	(7,065)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	2,473	14,643	-
Transfers out	-	-	-	-	-	-	-	(14,643)	-	(2,473)
Total other financing sources (uses)	-	-	-	-	-	-	-	(12,170)	14,643	(2,473)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,243	2,188	1,765	8,250	-	8,552	-	(50,245)	7,578	(2,473)
Cash and investments - ending	\$ 21,243	\$ 2,626	\$ 43,731	\$ 8,250	\$ 41	\$ 22,362	\$ 29,545	\$ -	\$ 7,578	\$ -

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

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	Serve America	Safe and Drug-Free 2008/09	Safe and Drug-Free 2006/07 - Mid Sch	Safe and Drug-Free 2009/10	High Schools That Work	Improving Teaching Quality	Title I Grants to LEAs (Recovery Act)	Qualified School Construction Bond	Education Jobs	Totals
Cash and investments - beginning	\$ 9	\$ 4,303	\$ 3	\$ 7,223	\$ 750	\$ -	\$ 26,764	\$ -	\$ -	\$ 3,556,876
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	5,890,962
Intermediate sources	-	-	-	-	-	-	-	-	-	514
State sources	-	-	-	-	-	-	-	-	-	10,738,238
Federal sources	-	-	-	-	-	40,000	46,150	-	273,786	1,034,975
Total receipts	-	-	-	-	-	40,000	46,150	-	273,786	17,664,689
Disbursements:										
Current:										
Instruction	-	-	-	-	-	40,000	42,637	-	269,288	6,970,559
Support services	9	4,256	3	4,259	750	-	8,498	-	-	4,709,881
Noninstructional services	-	-	-	573	-	-	-	-	-	923,819
Facilities acquisition and construction	-	-	-	-	-	-	-	518,852	-	1,085,873
Debt services	-	-	-	-	-	-	-	-	-	3,476,655
Nonprogrammed charges	-	47	-	-	-	-	-	-	-	549,707
Total disbursements	9	4,303	3	4,832	750	40,000	51,135	518,852	269,288	17,716,494
Excess (deficiency) of receipts over disbursements	(9)	(4,303)	(3)	(4,832)	(750)	-	(4,985)	(518,852)	4,498	(51,805)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	518,852	-	518,852
Transfers in	-	-	-	-	-	-	-	-	-	403,768
Transfers out	-	-	-	-	-	-	-	-	-	(403,768)
Total other financing sources (uses)	-	-	-	-	-	-	-	518,852	-	518,852
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9)	(4,303)	(3)	(4,832)	(750)	-	(4,985)	-	4,498	467,047
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,391	\$ -	\$ -	\$ 21,779	\$ -	\$ 4,498	\$ 4,023,923

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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

	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 65,250
Buildings	20,809,897
Improvements other than buildings	765,189
Machinery and equipment	<u>4,760,511</u>
 Total capital assets not being depreciated	 <u><u>\$ 26,400,847</u></u>

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital leases:			
Computers	\$ 67,698	\$ 57,568	Capital Projects
Energy management	518,027	219,274	Capital Projects
Holding corporations	3,277,697	1,162,000	Debt Service
Notes and loans payable	250,000	250,749	General and Debt Service
Bonds payable:			
General obligation bonds:			
Pension bonds	1,535,000	235,309	Retirement/Severance Bond Debt Service
Construction bonds	<u>1,950,000</u>	<u>113,597</u>	Debt Service
 Total debt	 <u>\$ 7,598,422</u>	 <u>\$ 2,038,497</u>	

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General Fund	2009	\$ 1,365,920
General Fund	2010	777,267

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the North Putnam Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, the Board of School Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 15, 2011

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 90,509	\$ 89,197
National School Lunch Program	10.555		<u>310,721</u>	<u>299,771</u>
Total for Federal Grantor Agency			<u>401,230</u>	<u>388,968</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-6715	151,574	2,473
		10-6715	283,382	79,488
		11-6715	<u>-</u>	<u>262,329</u>
Total for program			<u>434,956</u>	<u>344,290</u>
ARRA - Title I Grants to Local Educational Agencies	84.389		<u>66,813</u>	<u>51,135</u>
Total for cluster			<u>501,769</u>	<u>395,425</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394		<u>831,251</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048		<u>-</u>	<u>750</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 2005-2006	1,952	4,303
		FY 2007-2008	3,741	-
		FY 2009-2010	<u>-</u>	<u>4,832</u>
Total for program			<u>5,693</u>	<u>9,135</u>
State Grants for Innovative Programs	84.298		<u>1,149</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367		<u>81,800</u>	<u>40,000</u>
Education Jobs Fund	84.410		<u>-</u>	<u>269,290</u>
Total for federal grantor agency			<u>1,421,662</u>	<u>714,600</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
ARRA - Americorps	94.006		<u>5,293</u>	<u>9</u>
<u>U.S. SOCIAL SECURITY ADMINISTRATION</u>				
Pass-Through Indiana Department of Education				
Social Security - Disability Insurance	96.001		<u>48</u>	<u>2,069</u>
Total federal awards expended			<u>\$ 1,828,233</u>	<u>\$ 1,105,646</u>

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the North Putnam Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009-2010	2010-2011
National School Lunch Program	10.555	\$ 50,079	\$ 46,171

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2011, with Dr. Mary Sugg Lovejoy, Superintendent of Schools; Tanya J. Pearson, Treasurer; Debra K. Sillery, President of the School Board; and John Hays, Vice President of the School Board. The officials concurred with our audit finding.