

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

EXAMINATION REPORT
OF
SHOALS COMMUNITY SCHOOL CORPORATION
MARTIN COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
03/05/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa C. Elliott	07-01-06 to 06-30-09
Superintendent of Schools	Dr. Anthony E. Nonte Dr. Tom Miller (Interim) Dr. Anthony E. Nonte	07-01-06 to 06-30-08 07-01-08 to 07-31-08 08-01-08 to 06-30-09
President of the School Board	Glen A. Cundiff	07-01-06 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SHOALS COMMUNITY SCHOOL
CORPORATION, MARTIN COUNTY, INDIANA

We have examined the financial information presented herein of the Shoals Community School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

December 30, 2008

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,459,758	\$ -	\$ 39,667	\$ (3,420,091)
Support services	2,383,531	106,526	136,272	(2,140,733)
Community services	89,108	-	-	(89,108)
Nonprogrammed charges	98,126	-	-	(98,126)
Debt service	<u>724,156</u>	<u>-</u>	<u>-</u>	<u>(724,156)</u>
 Total governmental activities	 <u>\$ 6,754,679</u>	 <u>\$ 106,526</u>	 <u>\$ 175,939</u>	 <u>(6,472,214)</u>
 General receipts:				
Property taxes				2,516,922
Other local sources				330,766
State aid				3,458,032
Grants and contributions not restricted to specific programs				257,115
Sale of property, adjustments, and refunds				400
Investment earnings				<u>73,663</u>
 Total general receipts				 <u>6,636,898</u>
 Change in net assets				 164,684
 Net assets - beginning				 <u>2,478,179</u>
 Net assets - ending				 <u>\$ 2,642,863</u>
 <u>Assets</u>				
Cash and investments				\$ 2,603,851
Restricted assets:				
Cash and investments				<u>39,012</u>
 Total assets				 <u>\$ 2,642,863</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 39,012
Unrestricted				<u>2,603,851</u>
 Total net assets				 <u>\$ 2,642,863</u>

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

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,298,125	\$ -	\$ 88,256	\$ (3,209,869)
Support services	2,842,325	104,729	144,760	(2,592,836)
Community services	82,992	-	-	(82,992)
Nonprogrammed charges	127,749	-	-	(127,749)
Debt service	694,728	-	-	(694,728)
Total governmental activities	<u>\$ 7,045,919</u>	<u>\$ 104,729</u>	<u>\$ 233,016</u>	<u>(6,708,174)</u>
General receipts:				
Property taxes				1,386,237
Other local sources				381,430
State aid				3,304,657
Grants and contributions not restricted to specific programs				326,299
Sale of property, adjustments, and refunds				2,093
Investment earnings				61,746
Total general receipts				<u>5,462,462</u>
Change in net assets				(1,245,712)
Net assets - beginning				<u>2,642,863</u>
Net assets - ending				<u>\$ 1,397,151</u>
<u>Assets</u>				
Cash and investments				\$ 1,392,342
Restricted assets:				
Cash and investments				<u>4,809</u>
Total assets				<u>\$ 1,397,151</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,809
Unrestricted				<u>1,392,342</u>
Total net assets				<u>\$ 1,397,151</u>

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

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

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,038,514	\$ 551,813	\$ -	\$ 567,295	\$ 420,703	\$ 49,544	\$ 399,579	\$ 3,027,448
Intermediate sources	260	-	-	-	-	-	169	429
State sources	3,483,372	-	-	-	-	-	104,096	3,587,468
Federal sources	-	-	-	-	-	-	303,618	303,618
Sale of property, adjustments and refunds	400	-	-	-	-	-	-	400
Total receipts	4,522,546	551,813	-	567,295	420,703	49,544	807,462	6,919,363
Disbursements:								
Current:								
Instruction	3,278,565	-	-	-	-	-	181,193	3,459,758
Support services	1,086,274	531,083	-	-	438,547	-	327,627	2,383,531
Community services	79,760	-	-	-	-	-	9,348	89,108
Nonprogrammed charges	75,739	-	-	-	-	-	22,387	98,126
Debt services	-	-	-	512,217	-	-	211,939	724,156
Total disbursements	4,520,338	531,083	-	512,217	438,547	-	752,494	6,754,679
Excess (deficiency) of receipts over (under) disbursements	2,208	20,730	-	55,078	(17,844)	49,544	54,968	164,684
Other financing sources (uses):								
Transfers in	124,503	-	150,000	-	-	-	106,321	380,824
Transfers out	(32,842)	(17,445)	-	(178,237)	(12,840)	-	(139,460)	(380,824)
Total other financing sources (uses)	91,661	(17,445)	150,000	(178,237)	(12,840)	-	(33,139)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	93,869	3,285	150,000	(123,159)	(30,684)	49,544	21,829	164,684
Cash and investments - beginning	1,553,169	242,863	152,000	161,503	45,619	74,856	248,169	2,478,179
Cash and investments - ending	\$ 1,647,038	\$ 246,148	\$ 302,000	\$ 38,344	\$ 14,935	\$ 124,400	\$ 269,998	\$ 2,642,863
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,647,038	\$ 246,148	\$ 302,000	\$ -	\$ 14,935	\$ 124,400	\$ 269,330	\$ 2,603,851
Restricted assets:								
Cash and investments	-	-	-	38,344	-	-	668	39,012
Total cash and investment assets - ending	\$ 1,647,038	\$ 246,148	\$ 302,000	\$ 38,344	\$ 14,935	\$ 124,400	\$ 269,998	\$ 2,642,863
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 38,344	\$ -	\$ -	\$ 668	\$ 39,012
Unrestricted	1,647,038	246,148	302,000	-	14,935	124,400	269,330	2,603,851
Total cash and investment fund balance - ending	\$ 1,647,038	\$ 246,148	\$ 302,000	\$ 38,344	\$ 14,935	\$ 124,400	\$ 269,998	\$ 2,642,863

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

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 608,562	\$ 351,163	\$ -	\$ 379,137	\$ 280,891	\$ 66,630	\$ 247,759	\$ 1,934,142
Intermediate sources	163	-	-	-	-	-	150	313
State sources	3,364,785	-	-	-	-	-	66,156	3,430,941
Federal sources	-	-	-	-	-	-	432,718	432,718
Sale of property, adjustments and refunds	-	2,093	-	-	-	-	-	2,093
Total receipts	3,973,510	353,256	-	379,137	280,891	66,630	746,783	5,800,207
Disbursements:								
Current:								
Instruction	3,023,105	-	26,351	-	-	-	248,669	3,298,125
Support services	1,176,300	607,457	29,682	-	529,326	129,294	370,266	2,842,325
Community services	74,906	-	-	-	-	-	8,086	82,992
Nonprogrammed charges	77,918	-	49,831	-	-	-	-	127,749
Debt services	-	-	-	487,345	-	-	207,383	694,728
Total disbursements	4,352,229	607,457	105,864	487,345	529,326	129,294	834,404	7,045,919
Deficiency of receipts under disbursements	(378,719)	(254,201)	(105,864)	(108,208)	(248,435)	(62,664)	(87,621)	(1,245,712)
Other financing sources (uses):								
Transfers in	87,791	9,000	140,000	228,000	248,500	-	110,866	824,157
Transfers out	(545,999)	-	-	(155,000)	(14,500)	-	(108,658)	(824,157)
Total other financing sources (uses)	(458,208)	9,000	140,000	73,000	234,000	-	2,208	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(836,927)	(245,201)	34,136	(35,208)	(14,435)	(62,664)	(85,413)	(1,245,712)
Cash and investments - beginning	1,647,038	246,148	302,000	38,344	14,935	124,400	269,998	2,642,863
Cash and investments - ending	\$ 810,111	\$ 947	\$ 336,136	\$ 3,136	\$ 500	\$ 61,736	\$ 184,585	\$ 1,397,151
Cash and Investment Assets - Ending								
Cash and investments	\$ 810,111	\$ 947	\$ 336,136	\$ -	\$ 500	\$ 61,736	\$ 182,912	\$ 1,392,342
Restricted assets:								
Cash and investments	-	-	-	3,136	-	-	1,673	4,809
Total cash and investment assets - ending	\$ 810,111	\$ 947	\$ 336,136	\$ 3,136	\$ 500	\$ 61,736	\$ 184,585	\$ 1,397,151
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 3,136	\$ -	\$ -	\$ 1,673	\$ 4,809
Unrestricted	810,111	947	336,136	-	500	61,736	182,912	1,392,342
Total cash and investment fund balance - ending	\$ 810,111	\$ 947	\$ 336,136	\$ 3,136	\$ 500	\$ 61,736	\$ 184,585	\$ 1,397,151

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 43,444
Deductions:		
Benefits	60,050	-
Administrative and general	<u>-</u>	<u>35,228</u>
Total deductions	<u>60,050</u>	<u>35,228</u>
Excess (deficiency) of total additions over (under) total deductions	(60,050)	8,216
Cash and investment fund balance - beginning	<u>560,891</u>	<u>17,015</u>
Cash and investment fund balance - ending	<u>\$ 500,841</u>	<u>\$ 25,231</u>
Net assets:		
Cash and investments	<u>\$ 500,841</u>	<u>\$ 25,231</u>
Total net assets - cash and investment basis held in trust	<u>\$ 500,841</u>	<u>\$ 25,231</u>

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

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 24,567
Deductions:		
Benefits	93,404	-
Administrative and general	-	39,236
Total deductions	<u>93,404</u>	<u>39,236</u>
Deficiency of total additions under total deductions	(93,404)	(14,669)
Cash and investment fund balance - beginning	<u>500,841</u>	<u>25,231</u>
Cash and investment fund balance - ending	<u>\$ 407,437</u>	<u>\$ 10,562</u>
Net assets:		
Cash and investments	<u>\$ 407,437</u>	<u>\$ 10,562</u>
Total net assets - cash and investment basis held in trust	<u>\$ 407,437</u>	<u>\$ 10,562</u>

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Information

Government-Wide Financial Schedules

The Schedule of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. 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 are reported as separate columns in the fund financial schedules.

The School Corporation reports the following major governmental funds:

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

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

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the pension severance bonds which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the school corporation and its students.

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

Note 3. Budgets

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

Note 4. Property Taxes

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

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.

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2007	2008
General Fund	Debt Service Fund	\$ -	\$ 202,000
General Fund	Capital Projects Fund	-	234,000
General Fund	Transportation Operating Fund	-	9,000
General Fund	Other governmental funds	32,842	100,999
Debt Service Fund	Other governmental funds	28,237	500
Debt Service Fund	Rainy Day Fund	150,000	140,000
Debt Service Fund	Capital Projects Fund	-	14,500
Capital Projects Fund	Debt Service Fund	-	14,500
Capital Projects Fund	Other governmental funds	12,840	-
Transportation Fund	Other governmental funds	17,445	-
Other governmental funds	General Fund	124,503	87,791
Other governmental funds	Debt Service Fund	-	11,500
Other governmental funds	Other governmental funds	14,957	9,367
Totals		<u>\$ 380,824</u>	<u>\$ 824,157</u>

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

Note 7. Pension Plans

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:

SHOALS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

	Special Education Preschool	School Lunch	Textbook Rental	Alternative Education 2002	Safe Haven	Gifted and Talented 05-06	Gifted and Talented 06-07
Receipts:							
Local sources	\$ 3,295	\$ 96,400	\$ 28,174	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	169	-	-
State sources	19,810	2,592	12,756	-	-	-	11,535
Federal sources	-	120,925	-	-	-	-	-
Total receipts	23,105	219,917	40,930	-	169	-	11,535
Disbursements:							
Current:							
Instruction	30,728	-	-	-	-	3,994	-
Support services	2,279	219,766	40,306	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	33,007	219,766	40,306	-	-	3,994	-
Excess (deficiency) of receipts over (under) disbursements	(9,902)	151	624	-	169	(3,994)	11,535
Other financing sources (uses):							
Transfers in	-	-	-	87,028	-	-	-
Transfers out	(112)	-	-	(122,473)	-	-	-
Total other financing sources (uses)	(112)	-	-	(35,445)	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(10,014)	151	624	(35,445)	169	(3,994)	11,535
Cash and investments - beginning	20,581	23,136	13,999	122,473	2,306	5,212	-
Cash and investments - ending	<u>\$ 10,567</u>	<u>\$ 23,287</u>	<u>\$ 14,623</u>	<u>\$ 87,028</u>	<u>\$ 2,475</u>	<u>\$ 1,218</u>	<u>\$ 11,535</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 10,567	\$ 23,287	\$ 14,623	\$ 87,028	\$ 2,475	\$ 1,218	\$ 11,535
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,567	\$ 23,287	\$ 14,623	\$ 87,028	\$ 2,475	\$ 1,218	\$ 11,535
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,567	23,287	14,623	87,028	2,475	1,218	11,535
Total cash and investment fund balance - ending	\$ 10,567	\$ 23,287	\$ 14,623	\$ 87,028	\$ 2,475	\$ 1,218	\$ 11,535

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

	Welfare Early Intervention	Technology Planning Grant II	Beginning Teacher Internship	Technology Planning Grant I	Title I 05-06	Title I School Improvement	Title I 06-07
Receipts:							
Local sources	\$ 2,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	54,613	2,790	-	-	-	-
Federal sources	-	-	-	3,942	-	9,415	134,612
Total receipts	2,516	54,613	2,790	3,942	-	9,415	134,612
Disbursements:							
Current:							
Instruction	4,702	-	1,800	-	-	-	78,365
Support services	-	-	-	3,942	-	-	52,099
Community services	-	-	-	-	-	7,661	1,687
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	4,702	-	1,800	3,942	-	7,661	132,151
Excess (deficiency) of receipts over (under) disbursements	(2,186)	54,613	990	-	-	1,754	2,461
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	8,293
Transfers out	-	-	-	-	(8,293)	-	(1,388)
Total other financing sources (uses)	-	-	-	-	(8,293)	-	6,905
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(2,186)	54,613	990	-	(8,293)	1,754	9,366
Cash and investments - beginning	464	-	-	-	8,293	-	-
Cash and investments - ending	<u>\$ (1,722)</u>	<u>\$ 54,613</u>	<u>\$ 990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,754</u>	<u>\$ 9,366</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (1,722)	\$ 54,613	\$ 990	\$ -	\$ -	\$ 1,754	\$ 9,366
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (1,722)</u>	<u>\$ 54,613</u>	<u>\$ 990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,754</u>	<u>\$ 9,366</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(1,722)	54,613	990	-	-	1,754	9,366
Total cash and investment fund balance - ending	<u>\$ (1,722)</u>	<u>\$ 54,613</u>	<u>\$ 990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,754</u>	<u>\$ 9,366</u>

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

	Title V 06-07	Title V 07-08	Title IV Drug Free 05-06	Title IV Drug Free 06-07	After School Rocks	After School Junior High Arts 05-06	After School Junior High Arts 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	2,648	1,190	-	5,156	-	-	17,250
Total receipts	2,648	1,190	-	5,156	-	-	17,250
Disbursements:							
Current:							
Instruction	1,368	-	50	234	8,396	1,529	2,166
Support services	1,251	-	2,077	2,227	53	40	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	2,619	-	2,127	2,461	8,449	1,569	2,166
Excess (deficiency) of receipts over (under) disbursements	29	1,190	(2,127)	2,695	(8,449)	(1,569)	15,084
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(29)	-	(7)	-	-	-	-
Total other financing sources (uses)	(29)	-	(7)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	1,190	(2,134)	2,695	(8,449)	(1,569)	15,084
Cash and investments - beginning	-	-	2,134	-	13,590	1,569	-
Cash and investments - ending	\$ -	\$ 1,190	\$ -	\$ 2,695	\$ 5,141	\$ -	\$ 15,084
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,190	\$ -	\$ 2,695	\$ 5,141	\$ -	\$ 15,084
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,190	\$ -	\$ 2,695	\$ 5,141	\$ -	\$ 15,084
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,190	-	2,695	5,141	-	15,084
Total cash and investment fund balance - ending	\$ -	\$ 1,190	\$ -	\$ 2,695	\$ 5,141	\$ -	\$ 15,084

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

	Title II, Part D Class Reduction	Title II, Part D Enhancement	Retirement Severance Bond	Donation	Leo Harding	Construction	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ 196,927	\$ -	\$ -	\$ 72,267	\$ 399,579
Intermediate sources	-	-	-	-	-	-	169
State sources	-	-	-	-	-	-	104,096
Federal sources	5,151	3,329	-	-	-	-	303,618
Total receipts	5,151	3,329	196,927	-	-	72,267	807,462
Disbursements:							
Current:							
Instruction	47,861	-	-	-	-	-	181,193
Support services	-	3,587	-	-	-	-	327,627
Community services	-	-	-	-	-	-	9,348
Nonprogrammed charges	-	-	-	20,595	1,792	-	22,387
Debt services	-	-	211,939	-	-	-	211,939
Total disbursements	47,861	3,587	211,939	20,595	1,792	-	752,494
Excess (deficiency) of receipts over (under) disbursements	(42,710)	(258)	(15,012)	(20,595)	(1,792)	72,267	54,968
Other financing sources (uses):							
Transfers in	-	-	11,000	-	-	-	106,321
Transfers out	(602)	(5)	(6,551)	-	-	-	(139,460)
Total other financing sources (uses)	(602)	(5)	4,449	-	-	-	(33,139)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(43,312)	(263)	(10,563)	(20,595)	(1,792)	72,267	21,829
Cash and investments - beginning	(301)	1,095	11,231	20,595	1,792	-	248,169
Cash and investments - ending	<u>(43,613)</u>	<u>832</u>	<u>668</u>	<u>-</u>	<u>-</u>	<u>72,267</u>	<u>269,998</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (43,613)	\$ 832	\$ -	\$ -	\$ -	\$ 72,267	\$ 269,330
Restricted assets:							
Cash and investments	-	-	668	-	-	-	668
Total cash and investment assets - ending	<u>(43,613)</u>	<u>832</u>	<u>668</u>	<u>-</u>	<u>-</u>	<u>72,267</u>	<u>269,998</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 668	\$ -	\$ -	\$ -	\$ 668
Unrestricted	(43,613)	832	-	-	-	72,267	269,330
Total cash and investment fund balance - ending	<u>(43,613)</u>	<u>832</u>	<u>668</u>	<u>-</u>	<u>-</u>	<u>72,267</u>	<u>269,998</u>

SHOALS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Alternative Education 2002	Safe Haven	Gifted and Talented 05-06	Gifted and Talented 07-08
Receipts:							
Local sources	\$ 1,952	\$ 94,590	\$ 29,462	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	150	-	-
State sources	14,813	2,617	20,598	-	-	-	28,128
Federal sources	-	121,545	-	-	-	-	-
Total receipts	16,765	218,752	50,060	-	150	-	28,128
Disbursements:							
Current:							
Instruction	28,184	-	-	-	-	1,217	19,521
Support services	-	220,520	27,991	-	-	-	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	28,184	220,520	27,991	-	-	1,217	19,521
Excess (deficiency) of receipts over (under) disbursements	(11,419)	(1,768)	22,069	-	150	(1,217)	8,607
Other financing sources (uses):							
Transfers in	1,000	-	-	-	-	-	-
Transfers out	-	-	-	(87,028)	-	-	-
Total other financing sources (uses)	1,000	-	-	(87,028)	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(10,419)	(1,768)	22,069	(87,028)	150	(1,217)	8,607
Cash and investments - beginning	10,567	23,287	14,623	87,028	2,475	1,217	-
Cash and investments - ending	<u>\$ 148</u>	<u>\$ 21,519</u>	<u>\$ 36,692</u>	<u>\$ -</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$ 8,607</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 148	\$ 21,519	\$ 36,692	\$ -	\$ 2,625	\$ -	\$ 8,607
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 148</u>	<u>\$ 21,519</u>	<u>\$ 36,692</u>	<u>\$ -</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$ 8,607</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	148	21,519	36,692	-	2,625	-	8,607
Total cash and investment fund balance - ending	<u>\$ 148</u>	<u>\$ 21,519</u>	<u>\$ 36,692</u>	<u>\$ -</u>	<u>\$ 2,625</u>	<u>\$ -</u>	<u>\$ 8,607</u>

SHOALS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Gifted and Talented 06-07	Welfare Early Intervention	Technology Planning Grant I	Beginning Teacher Internship	Title I 07-08	Title I School Improvement	Title I 06-07
Receipts:							
Local sources	\$ -	\$ 2,186	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	2,920	-	-	131,158	6,133	-
Total receipts	-	5,106	-	-	131,158	6,133	-
Disbursements:							
Current:							
Instruction	11,535	4,991	-	990	81,829	3,899	-
Support services	-	-	-	-	43,481	-	-
Community services	-	-	-	-	45	3,825	-
Debt services	-	-	-	-	-	-	-
Total disbursements	11,535	4,991	-	990	125,355	7,724	-
Excess (deficiency) of receipts over (under) disbursements	(11,535)	115	-	(990)	5,803	(1,591)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	9,366	-	-
Transfers out	-	-	-	-	(602)	(162)	(9,366)
Total other financing sources (uses)	-	-	-	-	8,764	(162)	(9,366)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(11,535)	115	-	(990)	14,567	(1,753)	(9,366)
Cash and investments - beginning	11,535	(1,722)	54,613	990	-	1,753	9,366
Cash and investments - ending	\$ -	\$ (1,607)	\$ 54,613	\$ -	\$ 14,567	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ (1,607)	\$ 54,613	\$ -	\$ 14,567	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (1,607)	\$ 54,613	\$ -	\$ 14,567	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(1,607)	54,613	-	14,567	-	-
Total cash and investment fund balance - ending	\$ -	\$ (1,607)	\$ 54,613	\$ -	\$ 14,567	\$ -	\$ -

SHOALS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title V 07-08	Title V 06-07	Title IV Drug Free 07-08	Title IV Drug Free 06-07	After School Rocks 06-07	After School Rocks 07-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	<u>56,956</u>	-	<u>3,524</u>	-	-	<u>12,600</u>
Total receipts	<u>56,956</u>	-	<u>3,524</u>	-	-	<u>12,600</u>
Disbursements:						
Current:						
Instruction	19,632	1,190	204	545	5,142	5,950
Support services	2,342	-	645	2,150	-	38
Community services	4,216	-	-	-	-	-
Debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>26,190</u>	<u>1,190</u>	<u>849</u>	<u>2,695</u>	<u>5,142</u>	<u>5,988</u>
Excess (deficiency) of receipts over (under) disbursements	<u>30,766</u>	<u>(1,190)</u>	<u>2,675</u>	<u>(2,695)</u>	<u>(5,142)</u>	<u>6,612</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	30,766	(1,190)	2,675	(2,695)	(5,142)	6,612
Cash and investments - beginning	<u>-</u>	<u>1,190</u>	<u>-</u>	<u>2,695</u>	<u>5,142</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,766</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,612</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 30,766	\$ -	\$ 2,675	\$ -	\$ -	\$ 6,612
Restricted assets:						
Cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 30,766</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,612</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>30,766</u>	<u>-</u>	<u>2,675</u>	<u>-</u>	<u>-</u>	<u>6,612</u>
Total cash and investment fund balance - ending	<u>\$ 30,766</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,612</u>

SHOALS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	After School Junior High Arts 06-07	Title II, Part D Class Reduction	Title II, Part D Enhancement	Retirement Severance Bond	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 119,388	\$ 181	\$ 247,759
Intermediate sources	-	-	-	-	-	150
State sources	-	-	-	-	-	66,156
Federal sources	-	97,882	-	-	-	432,718
Total receipts	-	97,882	-	119,388	181	746,783
Disbursements:						
Current:						
Instruction	15,079	48,761	-	-	-	248,669
Support services	-	-	832	-	72,267	370,266
Community services	-	-	-	-	-	8,086
Debt services	-	-	-	207,383	-	207,383
Total disbursements	15,079	48,761	832	207,383	72,267	834,404
Excess (deficiency) of receipts over (under) disbursements	(15,079)	49,121	(832)	(87,995)	(72,086)	(87,621)
Other financing sources (uses):						
Transfers in	-	-	-	100,500	-	110,866
Transfers out	-	-	-	(11,500)	-	(108,658)
Total other financing sources (uses)	-	-	-	89,000	-	2,208
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(15,079)	49,121	(832)	1,005	(72,086)	(85,413)
Cash and investments - beginning	15,084	(43,612)	832	668	72,267	269,998
Cash and investments - ending	<u>\$ 5</u>	<u>\$ 5,509</u>	<u>\$ -</u>	<u>\$ 1,673</u>	<u>\$ 181</u>	<u>\$ 184,585</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5	\$ 5,509	\$ -	\$ -	\$ 181	\$ 182,912
Restricted assets:						
Cash and investments	-	-	-	1,673	-	1,673
Total cash and investment assets - ending	<u>\$ 5</u>	<u>\$ 5,509</u>	<u>\$ -</u>	<u>\$ 1,673</u>	<u>\$ 181</u>	<u>\$ 184,585</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1,673	\$ -	\$ 1,673
Unrestricted	5	5,509	-	-	181	182,912
Total cash and investment fund balance - ending	<u>\$ 5</u>	<u>\$ 5,509</u>	<u>\$ -</u>	<u>\$ 1,673</u>	<u>\$ 181</u>	<u>\$ 184,585</u>

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

	<u>Donation</u>	<u>Leo Harding Endowment</u>	<u>PDK Grant 2004</u>	<u>PDK Elementary Grant</u>	<u>PDK High School Grant</u>	<u>Cape Guidance Grant</u>	<u>PDK Cape Counselor</u>	<u>Harding Donation</u>	<u>Totals</u>
Additions:									
Contributions:									
Other	\$ 9,072	\$ 2,370	\$ -	\$ -	\$ -	\$ 30,500	\$ 1,500	\$ 2	\$ 43,444
Administrative and general	-	-	150	1,390	2,428	29,201	2,059	-	35,228
Excess (deficiency) of total additions over (under) total deductions	9,072	2,370	(150)	(1,390)	(2,428)	1,299	(559)	2	8,216
Cash and investment fund balance - beginning	-	-	800	5,791	2,428	1,000	559	6,437	17,015
Cash and investments - June 30	<u>\$ 9,072</u>	<u>\$ 2,370</u>	<u>\$ 650</u>	<u>\$ 4,401</u>	<u>\$ -</u>	<u>\$ 2,299</u>	<u>\$ -</u>	<u>\$ 6,439</u>	<u>\$ 25,231</u>
Net assets:									
Cash and investments	\$ 9,072	\$ 2,370	\$ 650	\$ 4,401	\$ -	\$ 2,299	\$ -	\$ 6,439	\$ 25,231
Total net assets - cash and investment basis held in trust	<u>\$ 9,072</u>	<u>\$ 2,370</u>	<u>\$ 650</u>	<u>\$ 4,401</u>	<u>\$ -</u>	<u>\$ 2,299</u>	<u>\$ -</u>	<u>\$ 6,439</u>	<u>\$ 25,231</u>

SHOALS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	<u>Donation</u>	<u>Leo Harding Endowment</u>	<u>PDK Grant 2004</u>	<u>PDK Elementary Grant</u>	<u>PDK High School Grant</u>	<u>Cape Guidance Grant</u>	<u>Harding Donation</u>	<u>Totals</u>
Additions:								
Contributions:								
Other	\$ 950	\$ 616	\$ -	\$ -	\$ 1,501	\$ 21,500	\$ -	\$ 24,567
Deductions:								
Administrative and general	4,644	-	610	1,029	3,800	29,102	51	39,236
Excess (deficiency) of total additions over (under) total deductions	(3,694)	616	(610)	(1,029)	(2,299)	(7,602)	(51)	(14,669)
Cash and investment fund balance - beginning	9,072	2,370	650	4,401	2,299	-	6,439	25,231
Cash and investments - June 30	<u>\$ 5,378</u>	<u>\$ 2,986</u>	<u>\$ 40</u>	<u>\$ 3,372</u>	<u>\$ -</u>	<u>\$ (7,602)</u>	<u>\$ 6,388</u>	<u>\$ 10,562</u>
Net assets:								
Cash and investments	<u>\$ 5,378</u>	<u>\$ 2,986</u>	<u>\$ 40</u>	<u>\$ 3,372</u>	<u>\$ -</u>	<u>\$ (7,602)</u>	<u>\$ 6,388</u>	<u>\$ 10,562</u>
Total net assets - cash and investment basis held in trust	<u>\$ 5,378</u>	<u>\$ 2,986</u>	<u>\$ 40</u>	<u>\$ 3,372</u>	<u>\$ -</u>	<u>\$ (7,602)</u>	<u>\$ 6,388</u>	<u>\$ 10,562</u>

Shoals Community School Corporation

DR. ANTHONY E. NONTE
Superintendent

LISA C. ELLIOTT
Treasurer

SANDRA DIVINE
Deputy Treas./Calt. Treas.

ANDREA QUALKENBUSH
Corporation Secretary

11741 IRONTON ROAD
SHOALS, INDIANA 47581-7732
TELEPHONE (812) 247-2060
FAX (812) 247-2278

GLEN ANTHONY CUNDIFF
President

MARY LOU BILLINGS
Vice-President

C. DENISE GARRETT
Secretary

A. CHRISTY FARHAR
Member

WILLIAM J. SHOBE, JR.
Member



SHOALS COMMUNITY SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 90,948
Buildings	5,896,625
Improvements other than buildings	838,508
Machinery and equipment	<u>1,222,694</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 8,048,775</u>

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SHOALS COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
School Building	\$ 2,005,000	\$ 105,000
Notes and loans payable	1,300,546	263,495
Bonds payable:		
General obligation bonds:		
Pension/severance	1,580,000	212,349
 Total governmental activities debt	 \$ 4,885,546	 \$ 580,844

SHOALS COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 30, 2008, with Dr. Anthony E. Nonte, Superintendent of Schools; Lisa C. Elliott, Treasurer; and Glen A. Cundiff, President of the School Board. Our examination disclosed no material items that warrant comment at this time.