

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

AUDIT REPORT

OF

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION

ORANGE COUNTY, INDIANA

July 1, 2007 to June 30, 2009



**FILED**

03/12/2010



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kathy Allstott	07-01-07 to 06-30-10
Superintendent of Schools	Todd Pritchett	07-01-07 to 06-30-12
President of the School Board	Todd Marshall	07-01-07 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE SPRINGS VALLEY COMMUNITY  
SCHOOL CORPORATION, ORANGE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springs Valley Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 24, 2010, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The 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 basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 24, 2010



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

TO: THE OFFICIALS OF THE SPRINGS VALLEY COMMUNITY  
SCHOOL CORPORATION, ORANGE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springs Valley Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 24, 2010. 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 opinions on the financial statements, 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
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 statements are 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management, the School Board, and 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

February 24, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>	Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 3,296,773	\$ -	\$ 125,332	\$ (3,171,441)	
Support services	3,123,191	173,203	254,105	(2,695,883)	
Noninstructional services	460,425	-	-	(460,425)	
Facilities acquisition and construction	164,807	-	-	(164,807)	
Debt service	764,627	-	-	(764,627)	
Nonprogrammed charges	1,232,559	-	-	(1,232,559)	
Total governmental activities	\$ 9,042,382	\$ 173,203	\$ 379,437	(8,489,742)	
General receipts:					
Property taxes				3,343,092	
Other local sources				909,937	
State aid				4,526,434	
Grants and contributions not restricted to specific programs				376,294	
Sale of property				2,009	
Investment earnings				77,852	
Other				24,350	
Total general receipts				9,259,968	
Change in net assets				770,226	
Net assets - beginning				1,164,898	
Net assets - ending				\$ 1,935,124	
<u>Assets</u>					
Cash and investments				\$ 1,594,541	
Restricted assets:					
Cash and investments				340,583	
Total assets				\$ 1,935,124	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 7,735	
Other purposes				332,848	
Unrestricted				1,594,541	
Total net assets				\$ 1,935,124	

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<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 (Disbursements) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 2,869,708	\$ -	\$ 121,779	\$ (2,747,929)
Support services	3,848,528	168,127	271,469	(3,408,932)
Noninstructional services	477,767	-	-	(477,767)
Facilities acquisition and construction	438,386	-	-	(438,386)
Debt service	834,322	-	-	(834,322)
Nonprogrammed charges	1,747,533	-	-	(1,747,533)
<b>Total governmental activities</b>	<b><u>\$ 10,216,244</u></b>	<b><u>\$ 168,127</u></b>	<b><u>\$ 393,248</u></b>	<b><u>(9,654,869)</u></b>
General receipts:				
Property taxes				2,939,166
Other local sources				1,173,083
State aid				4,797,028
Grants and contributions not restricted to specific programs				1,066,124
Sale of property				2,618
Investment earnings				61,229
Other				18,194
<b>Total general receipts</b>				<b><u>10,057,442</u></b>
Change in net assets				402,573
Net assets - beginning				<u>1,935,124</u>
Net assets - ending				<b><u>\$ 2,337,697</u></b>
<u>Assets</u>				
Cash and investments				\$ 2,267,675
Restricted Assets:				
Cash and investments				<u>70,022</u>
<b>Total Assets</b>				<b><u>\$ 2,337,697</u></b>
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 70,022
Unrestricted				<u>2,267,675</u>
<b>Total net assets</b>				<b><u>\$ 2,337,697</u></b>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
STATEMENT 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	Rainy Day	Other	Totals
<b>Receipts:</b>				
Local sources	\$ 1,690,414	\$ -	\$ 2,813,247	\$ 4,503,661
Intermediate sources	160	-	263	423
State sources	4,622,451	-	99,634	4,722,085
Federal sources	-	-	560,080	560,080
Other	24,000	-	350	24,350
	<u>6,337,025</u>	<u>-</u>	<u>3,473,574</u>	<u>9,810,599</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Instruction	3,805,671	-	365,753	4,171,424
Support services	1,787,858	112,542	1,222,791	3,123,191
Noninstructional services	124,704	-	335,721	460,425
Facilities acquisition and construction	680	-	164,127	164,807
Debt services	-	-	764,627	764,627
Nonprogrammed charges	520,331	-	33,000	553,331
	<u>6,239,244</u>	<u>112,542</u>	<u>2,886,019</u>	<u>9,237,805</u>
Excess (deficiency) of receipts over disbursements	<u>97,781</u>	<u>(112,542)</u>	<u>587,555</u>	<u>572,794</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	523	-	1,486	2,009
Transfers in	2,705	500,000	306,418	809,123
Transfers out	(71,295)	(120,000)	(625,003)	(816,298)
	<u>(68,067)</u>	<u>380,000</u>	<u>(317,099)</u>	<u>(5,166)</u>
Excess of receipts and other financing sources over disbursements and other financing uses	29,714	267,458	270,456	567,628
Cash and investments - beginning	<u>648,413</u>	<u>300,000</u>	<u>86,235</u>	<u>1,034,648</u>
Cash and investments - ending	<u>\$ 678,127</u>	<u>\$ 567,458</u>	<u>\$ 356,691</u>	<u>1,602,276</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:				
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				
				<u>332,848</u>
Net assets of governmental activities				<u>\$ 1,935,124</u>
<b>Cash and Investment Assets - Ending</b>				
Cash and investments	\$ 678,127	\$ 567,458	\$ 348,956	\$ 1,594,541
Restricted assets:				
Cash and investments	-	-	7,735	7,735
Total cash and investment assets - ending	<u>\$ 678,127</u>	<u>\$ 567,458</u>	<u>\$ 356,691</u>	<u>\$ 1,602,276</u>
<b>Cash and Investment Fund Balance - Ending</b>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 7,735	\$ 7,735
Unrestricted	<u>678,127</u>	<u>567,458</u>	<u>348,956</u>	<u>1,594,541</u>
Total cash and investment fund balance - ending	<u>\$ 678,127</u>	<u>\$ 567,458</u>	<u>\$ 356,691</u>	<u>\$ 1,602,276</u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
STATEMENT 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, 2009

	General	Rainy Day	Fiscal Stabilization	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 1,417,169	\$ -	\$ -	\$ 2,815,667	\$ 4,232,836
Intermediate sources	80	-	-	108,689	108,769
State sources	4,889,492	-	-	119,455	5,008,947
Federal sources	-	-	537,248	710,205	1,247,453
Other	<u>1,344</u>	-	-	<u>16,850</u>	<u>18,194</u>
<b>Total receipts</b>	<u>6,308,085</u>	<u>-</u>	<u>537,248</u>	<u>3,770,866</u>	<u>10,616,199</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	3,382,680	-	-	333,448	3,716,128
Support services	2,371,716	-	-	1,476,812	3,848,528
Noninstructional services	130,047	-	-	347,720	477,767
Facilities acquisition and construction	930	-	-	437,456	438,386
Debt services	-	-	-	834,322	834,322
Nonprogrammed charges	<u>597,477</u>	<u>-</u>	<u>-</u>	<u>40,810</u>	<u>638,287</u>
<b>Total disbursements</b>	<u>6,482,850</u>	<u>-</u>	<u>-</u>	<u>3,470,568</u>	<u>9,953,418</u>
Excess (deficiency) of receipts over disbursements	<u>(174,765)</u>	<u>-</u>	<u>537,248</u>	<u>300,298</u>	<u>662,781</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	-	2,618	2,618
Transfers in	1,724	120,000	-	39,526	161,250
Transfers out	<u>-</u>	<u>(2,601)</u>	<u>-</u>	<u>(158,649)</u>	<u>(161,250)</u>
<b>Total other financing sources (uses)</b>	<u>1,724</u>	<u>117,399</u>	<u>-</u>	<u>(116,505)</u>	<u>2,618</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(173,041)</u>	<u>117,399</u>	<u>537,248</u>	<u>183,793</u>	<u>665,399</u>
Cash and investments - beginning	<u>678,127</u>	<u>567,458</u>	<u>-</u>	<u>356,691</u>	<u>1,602,276</u>
Cash and investments - ending	<u>\$ 505,086</u>	<u>\$ 684,857</u>	<u>\$ 537,248</u>	<u>\$ 540,484</u>	<u>2,267,675</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					<u>70,022</u>
Net assets of governmental activities					<u>\$ 2,337,697</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	<u>\$ 505,086</u>	<u>\$ 684,857</u>	<u>\$ 537,248</u>	<u>\$ 540,484</u>	<u>\$ 2,267,675</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Unrestricted	<u>\$ 505,086</u>	<u>\$ 684,857</u>	<u>\$ 537,248</u>	<u>\$ 540,484</u>	<u>\$ 2,267,675</u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ <u>874,651</u>
Operating disbursements:	
Insurance claims and expense	327,753
Other	<u>351,475</u>
Total operating disbursements	<u>679,228</u>
Excess of operating receipts over operating disbursements	195,423
Transfers in	<u>7,175</u>
Change in net assets	202,598
Cash and investment fund balance - beginning	<u>130,250</u>
Cash and investment fund balance - ending	<u>\$ 332,848</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 332,848</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 332,848</u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2009

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 846,420
Operating disbursements:	
Insurance claims and expense	126,127
Other	983,119
Total operating disbursements	1,109,246
Deficiency of operating receipts over operating disbursements	(262,826)
Cash and investment fund balance - beginning	332,848
Cash and investment fund balance - ending	\$ 70,022
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 70,022
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 70,022

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

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

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ _____ -	\$ <u>1,127,375</u>
Deductions:		
Benefits	190,165	-
Administrative and general	<u>                    -</u>	<u>222,219</u>
Total deductions	<u>190,165</u>	<u>222,219</u>
Excess (deficiency) of total additions over total deductions	(190,165)	905,156
Cash and investment fund balance - beginning	<u>190,165</u>	<u>                    -</u>
Cash and investment fund balance - ending	<u>\$ _____ -</u>	<u>\$ <u>905,156</u></u>
Net assets:		
Cash and investments	<u>\$ _____ -</u>	<u>\$ <u>905,156</u></u>
Total net assets - cash and investment basis held in trust	<u>\$ _____ -</u>	<u>\$ <u>905,156</u></u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Additions: Contributions: Other	  <u>\$ 1,009,287</u>
Deductions: Administrative and general	  <u>717,120</u>
Excess of total additions over total deductions	  292,167
Cash and investment fund balance - beginning	  <u>905,156</u>
Cash and investment fund balance - ending	  <u>\$ 1,197,323</u>
Net assets: Cash and investments	  <u>\$ 1,197,323</u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Springs Valley Community School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Ventures

The School Corporation is a participant with Crawford County Community School Corporation, East Washington School Corporation, West Washington School Corporation, Paoli Community School Corporation, and Salem Community School Corporation in a joint venture to operate the South Central Area Special Education Cooperative which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit its share of the budgeted amount annually to the Special Education Cooperative. Complete financial statements for the Special Education Cooperative can be obtained from the joint venture's administrative office at 600 Elm Street, Suite 2, Paoli, Indiana, 47454.

The School Corporation is a participant with Paoli Community School Corporation and West Washington School Corporation in a joint venture to operate the Lost River Career Cooperative which was created for the vocational education of students and citizens of the jurisdiction of the participating school corporations. The School Corporation is obligated by contract to remit its share of budgeted amount annually to the Lost River Career Cooperative. Complete financial statements for the Lost River Career Cooperative can be obtained from the joint venture's administrative office at 610 Elm Street, Paoli, Indiana, 47454.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Fund financial statements 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, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

The fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for medical insurance provided to other departments on a cost-reimbursement basis.

The pension trust fund accounts for the activities of the postretirement/severance future benefits fund, which accumulates resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the students.

C. Measurement Focus and Basis of Accounting

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

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

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
2. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At June 30, 2009, the School Corporation had deposit balances in the amount of \$3,328,175. The School Corporation's deposit balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General Fund	Other governmental funds	\$ 64,120	\$ -
	Internal Service Fund	7,175	-
Rainy Day Fund	Other governmental funds	120,000	2,601
Other governmental funds	General Fund	2,705	1,724
	Rainy Day Fund	500,000	120,000
	Other governmental funds	<u>122,298</u>	<u>36,925</u>
Totals		<u>\$ 816,298</u>	<u>\$ 161,250</u>

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	Change in Major Funds	Balance as Restated July 1, 2007
Governmental activities	\$ 1,147,167	\$ 17,731	\$ -	\$ 1,164,898
Fiduciary - private-purpose trust	17,731	(17,731)	-	-
Other governmental	108,360	17,731	(39,856)	86,235

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries to Employees

During 2007, the School Corporation joined a public entity risk pool, the Indiana Public Employer's Plan, Inc., currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989 for the purpose of providing a medium for the funding and administration of workers compensation. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

Medical Benefits

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers claims in excess of \$2,500 per year for employees with single coverage, and \$5,000 per year for employees with family coverage. Settled claims resulting from this risk

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative cost of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages.

B. Holding Corporation

The School Corporation has entered into capital leases with the Springs Valley School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2008 and 2009, totaled \$1,217,850.

C. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The Springs Valley Community School Corporation Healthcare Plan is a single-employer defined benefit healthcare plan administered by the School Board. The plan provides medical, dental, vision, and life insurance benefits to eligible retirees and their spouses. IC 5-10-08 assigns the authority to establish and amend benefit provisions to the School. The financial activity of this plan is included in these financial statements.

Funding Policy

The contribution requirements of plan members for the Springs Valley Community School Corporation Healthcare Plan are established by the School Board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the School contributed \$101,977 to the plan. Plan members receiving benefits contributed \$16,094 or approximately 14% of the total premiums, through their required contribution of \$7.88 per month for retiree-only coverage and \$81.60 for retiree and spouse coverage.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

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 the 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 member's 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.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. The report may be obtained by contacting:

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 85,262
Interest on net pension obligation	(643)
Adjustment to annual required contribution	733
Annual pension cost	85,352
Contributions made	89,127
Decrease in net pension obligation	(3,775)
Net pension obligation, beginning of year	(8,874)
Net pension obligation, end of year	\$ (12,649)

	PERF
Contribution rates:	
School Corporation	9.5%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 78,348	95%	\$ (17,666)
	06-30-07	92,633	91%	(8,874)
	06-30-08	85,352	104%	(12,649)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

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 member's 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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Costs

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$146,475, \$136,399, and \$128,033, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 881,102	\$ 1,304,362	\$ (423,260)	68%	\$ 998,588	(42%)
07-01-07	1,017,220	1,349,662	(332,442)	75%	950,798	(35%)
07-01-08	1,191,552	1,537,107	(345,555)	78%	1,002,077	(34%)

SPRINGS VALLEY 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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven
<b>Receipts:</b>							
Local sources	\$ 557,851	\$ 5,149	\$ 170,970	\$ 49,273	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	263	-
State sources	-	28,404	4,281	25,941	-	-	2,193
Federal sources	-	-	223,883	-	-	-	-
Other	-	-	250	100	-	-	-
<b>Total receipts</b>	<u>557,851</u>	<u>33,553</u>	<u>399,384</u>	<u>75,314</u>	<u>-</u>	<u>263</u>	<u>2,193</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	2,193
Support services	483,529	-	-	79,305	150,446	-	-
Noninstructional services	-	-	335,541	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	33,000	-	-	-	-	-
<b>Total disbursements</b>	<u>483,529</u>	<u>33,000</u>	<u>335,541</u>	<u>79,305</u>	<u>150,446</u>	<u>-</u>	<u>2,193</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>74,322</u>	<u>553</u>	<u>63,843</u>	<u>(3,991)</u>	<u>(150,446)</u>	<u>263</u>	<u>-</u>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	1,486	-	-	-	-
Transfers in	-	-	-	-	150,446	-	-
Transfers out	(123,811)	(245)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(123,811)</u>	<u>(245)</u>	<u>1,486</u>	<u>-</u>	<u>150,446</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(49,489)</u>	<u>308</u>	<u>65,329</u>	<u>(3,991)</u>	<u>-</u>	<u>263</u>	<u>-</u>
<b>Cash and investments - beginning</b>	<u>128,148</u>	<u>14,154</u>	<u>81,806</u>	<u>24,979</u>	<u>-</u>	<u>3,975</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 78,659</u>	<u>\$ 14,462</u>	<u>\$ 147,135</u>	<u>\$ 20,988</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 78,659	\$ 14,462	\$ 147,135	\$ 20,988	\$ -	\$ 4,238	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 78,659</u>	<u>\$ 14,462</u>	<u>\$ 147,135</u>	<u>\$ 20,988</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	78,659	14,462	147,135	20,988	-	4,238	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 78,659</u>	<u>\$ 14,462</u>	<u>\$ 147,135</u>	<u>\$ 20,988</u>	<u>\$ -</u>	<u>\$ 4,238</u>	<u>\$ -</u>

SPRINGS VALLEY 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)

	Early Intervention Grant	Technology Grant	After School Teen Program	High Ability 2007-2008	Title I FY 2006-07	Title I FY 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ 831	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	9,500	-	-	29,315	-	-
Federal sources	-	-	-	-	20,000	261,951
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>9,500</b>	<b>-</b>	<b>831</b>	<b>29,315</b>	<b>20,000</b>	<b>261,951</b>
Disbursements:						
Current:						
Instruction	9,500	-	871	26,610	18,623	198,476
Support services	-	-	-	-	711	31,846
Noninstructional services	-	-	-	-	-	180
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>9,500</b>	<b>-</b>	<b>871</b>	<b>26,610</b>	<b>19,334</b>	<b>230,502</b>
Excess (deficiency) of receipts over disbursements	-	-	(40)	2,705	666	31,449
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	3,123	-	-	15,118
Transfers out	-	-	-	(2,705)	(15,118)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,123</b>	<b>(2,705)</b>	<b>(15,118)</b>	<b>15,118</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	3,083	-	(14,452)	46,567
Cash and investments - beginning	-	3,210	-	-	14,452	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,210</u>	<u>\$ 3,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,567</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 3,210	\$ 3,083	\$ -	\$ -	\$ 46,567
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 3,210</u>	<u>\$ 3,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,567</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,210	3,083	-	-	46,567
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 3,210</u>	<u>\$ 3,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,567</u>

SPRINGS VALLEY 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 FY 2007-08	Title V FY 2006-07	Safe and Drug Free Schools FY 2007-2008	Safe and Drug Free Schools FY 2006-07	21st Century Community Learning	Improving Teacher Quality
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,607	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,589	-	4,706	-	-	47,951
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,589</b>	<b>-</b>	<b>4,706</b>	<b>-</b>	<b>1,607</b>	<b>47,951</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	1,122	46,988
Support services	1,589	118	4,706	245	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,589</b>	<b>118</b>	<b>4,706</b>	<b>245</b>	<b>1,122</b>	<b>46,988</b>
Excess (deficiency) of receipts over disbursements	-	(118)	-	(245)	485	963
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(3,123)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,123)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(118)	-	(245)	(2,638)	963
Cash and investments - beginning	-	118	-	245	2,638	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 963</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	963
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 963</b>

SPRINGS VALLEY 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)

	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Bus Replacement	Construction Remodeling, and Equipping Buildings	Totals
<b>Receipts:</b>						
Local sources	\$ 797,503	\$ 123,257	\$ 965,613	\$ 141,193	\$ -	\$ 2,813,247
Intermediate sources	-	-	-	-	-	263
State sources	-	-	-	-	-	99,634
Federal sources	-	-	-	-	-	560,080
Other	-	-	-	-	-	350
<b>Total receipts</b>	<b>797,503</b>	<b>123,257</b>	<b>965,613</b>	<b>141,193</b>	<b>-</b>	<b>3,473,574</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	61,370	-	-	-	365,753
Support services	-	-	470,296	-	-	1,222,791
Noninstructional services	-	-	-	-	-	335,721
Facilities acquisition and construction	-	-	164,127	-	-	164,127
Debt services	703,750	60,877	-	-	-	764,627
Nonprogrammed charges	-	-	-	-	-	33,000
<b>Total disbursements</b>	<b>703,750</b>	<b>122,247</b>	<b>634,423</b>	<b>-</b>	<b>-</b>	<b>2,886,019</b>
Excess (deficiency) of receipts over disbursements	93,753	1,010	331,190	141,193	-	587,555
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	1,486
Transfers in	42,731	45,000	50,000	-	-	306,418
Transfers out	(25,119)	(6,096)	(381,055)	(50,000)	(17,731)	(625,003)
<b>Total other financing sources (uses)</b>	<b>17,612</b>	<b>38,904</b>	<b>(331,055)</b>	<b>(50,000)</b>	<b>(17,731)</b>	<b>(317,099)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	111,365	39,914	135	91,193	(17,731)	270,456
Cash and investments - beginning	(106,327)	(37,217)	6,708	(68,385)	17,731	86,235
Cash and investments - ending	<u>\$ 5,038</u>	<u>\$ 2,697</u>	<u>\$ 6,843</u>	<u>\$ 22,808</u>	<u>\$ -</u>	<u>\$ 356,691</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ 6,843	\$ 22,808	\$ -	\$ 348,956
Restricted assets:						
Cash and investments	5,038	2,697	-	-	-	7,735
<b>Total cash and investment assets - ending</b>	<u>\$ 5,038</u>	<u>\$ 2,697</u>	<u>\$ 6,843</u>	<u>\$ 22,808</u>	<u>\$ -</u>	<u>\$ 356,691</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ 5,038	\$ 2,697	\$ -	\$ -	\$ -	\$ 7,735
Unrestricted	-	-	6,843	22,808	-	348,956
<b>Total cash and investment fund balance - ending</b>	<u>\$ 5,038</u>	<u>\$ 2,697</u>	<u>\$ 6,843</u>	<u>\$ 22,808</u>	<u>\$ -</u>	<u>\$ 356,691</u>

SPRINGS VALLEY 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, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plates	SAFE School Haven	Early Intervention Grant
<b>Receipts:</b>							
Local sources	\$ 530,655	\$ 4,338	\$ 165,990	\$ 66,290	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	356	-	-
State sources	-	28,358	4,362	18,020	-	1,000	35,900
Federal sources	-	-	249,087	-	-	-	-
Other	-	-	250	16,600	-	-	-
<b>Total receipts</b>	<u>530,655</u>	<u>32,696</u>	<u>419,689</u>	<u>100,910</u>	<u>356</u>	<u>1,000</u>	<u>35,900</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	1,000	14,176
Support services	484,216	-	331	104,936	-	-	10,000
Noninstructional services	-	-	347,027	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	24,310	16,500	-	-	-	-
<b>Total disbursements</b>	<u>484,216</u>	<u>24,310</u>	<u>363,858</u>	<u>104,936</u>	<u>-</u>	<u>1,000</u>	<u>24,176</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>46,439</u>	<u>8,386</u>	<u>55,831</u>	<u>(4,026)</u>	<u>356</u>	<u>-</u>	<u>11,724</u>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	2,618	-	-	-	-
Transfers in	-	-	-	10,422	-	-	-
Transfers out	-	-	-	-	-	-	(11,724)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>2,618</u>	<u>10,422</u>	<u>-</u>	<u>-</u>	<u>(11,724)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>46,439</u>	<u>8,386</u>	<u>58,449</u>	<u>6,396</u>	<u>356</u>	<u>-</u>	<u>-</u>
<b>Cash and investments - beginning</b>	<u>78,659</u>	<u>14,462</u>	<u>147,135</u>	<u>20,988</u>	<u>4,238</u>	<u>-</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 125,098</u>	<u>\$ 22,848</u>	<u>\$ 205,584</u>	<u>\$ 27,384</u>	<u>\$ 4,594</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<u>\$ 125,098</u>	<u>\$ 22,848</u>	<u>\$ 205,584</u>	<u>\$ 27,384</u>	<u>\$ 4,594</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<u>\$ 125,098</u>	<u>\$ 22,848</u>	<u>\$ 205,584</u>	<u>\$ 27,384</u>	<u>\$ 4,594</u>	<u>\$ -</u>	<u>\$ -</u>

SPRINGS VALLEY 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, 2009  
 (Continued)

	Technology Grant	Access Indiana	After School Teen Program	After School Teen Operating	High Ability FY 2008-09	Title I FY 2007-08
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 3,242	\$ 36,400	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	2,500	-	-	29,315	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>2,500</b>	<b>3,242</b>	<b>36,400</b>	<b>29,315</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	2,081	13,413	26,949	14,946
Support services	-	601	-	-	-	15,118
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	3,210	-	-	870	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,210</b>	<b>601</b>	<b>2,081</b>	<b>14,283</b>	<b>26,949</b>	<b>30,064</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(3,210)</b>	<b>1,899</b>	<b>1,161</b>	<b>22,117</b>	<b>2,366</b>	<b>(30,064)</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(16,503)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,503)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(3,210)</b>	<b>1,899</b>	<b>1,161</b>	<b>22,117</b>	<b>2,366</b>	<b>(46,567)</b>
<b>Cash and investments - beginning</b>	<b>3,210</b>	<b>-</b>	<b>3,083</b>	<b>-</b>	<b>-</b>	<b>46,567</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 1,899</b>	<b>\$ 4,244</b>	<b>\$ 22,117</b>	<b>\$ 2,366</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
<b>Cash and investments</b>	<b>\$ -</b>	<b>\$ 1,899</b>	<b>\$ 4,244</b>	<b>\$ 22,117</b>	<b>\$ 2,366</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Unrestricted</b>	<b>\$ -</b>	<b>\$ 1,899</b>	<b>\$ 4,244</b>	<b>\$ 22,117</b>	<b>\$ 2,366</b>	<b>\$ -</b>

SPRINGS VALLEY 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, 2009  
 (Continued)

	Title I FY 2008-09	Title V FY 2008-09	Safe and Drug Free Schools FY 2008-09	Improving Teacher Quality	Education Technology	Rural Schools and Low Income Program
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 1,856	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	262,184	620	3,772	49,011	61,194	25,500
Other	-	-	-	-	-	-
<b>Total receipts</b>	<u>262,184</u>	<u>620</u>	<u>3,772</u>	<u>50,867</u>	<u>61,194</u>	<u>25,500</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	209,053	-	-	51,830	-	-
Support services	64,641	-	3,772	-	952	-
Noninstructional services	693	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	57,697	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<u>274,387</u>	<u>-</u>	<u>3,772</u>	<u>51,830</u>	<u>58,649</u>	<u>-</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(12,203)</u>	<u>620</u>	<u>-</u>	<u>(963)</u>	<u>2,545</u>	<u>25,500</u>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	26,503	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>26,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>14,300</u>	<u>620</u>	<u>-</u>	<u>(963)</u>	<u>2,545</u>	<u>25,500</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963</u>	<u>-</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 14,300</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,545</u>	<u>\$ 25,500</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
<b>Cash and investments</b>	<u>\$ 14,300</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,545</u>	<u>\$ 25,500</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Unrestricted</b>	<u>\$ 14,300</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,545</u>	<u>\$ 25,500</u>

SPRINGS VALLEY 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, 2009  
 (Continued)

	Title I LEA Grant (Stimulus)	Debt Service	Retirement/ Severance/ Bond Debt Service	Capital Projects	School Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ 744,484	\$ 159,924	\$ 910,185	\$ 192,303	\$ 2,815,667
Intermediate sources	-	-	-	108,333	-	108,689
State sources	-	-	-	-	-	119,455
Federal sources	58,837	-	-	-	-	710,205
Other	-	-	-	-	-	16,850
<b>Total receipts</b>	<u>58,837</u>	<u>744,484</u>	<u>159,924</u>	<u>1,018,518</u>	<u>192,303</u>	<u>3,770,866</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	333,448
Support services	-	-	-	585,645	206,600	1,476,812
Noninstructional services	-	-	-	-	-	347,720
Facilities acquisition and construction	-	-	-	375,679	-	437,456
Debt services	-	714,100	120,222	-	-	834,322
Nonprogrammed charges	-	-	-	-	-	40,810
<b>Total disbursements</b>	<u>-</u>	<u>714,100</u>	<u>120,222</u>	<u>961,324</u>	<u>206,600</u>	<u>3,470,568</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>58,837</u>	<u>30,384</u>	<u>39,702</u>	<u>57,194</u>	<u>(14,297)</u>	<u>300,298</u>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	2,618
Transfers in	-	-	2,601	-	-	39,526
Transfers out	-	(35,422)	(45,000)	(50,000)	-	(158,649)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(35,422)</u>	<u>(42,399)</u>	<u>(50,000)</u>	<u>-</u>	<u>(116,505)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>58,837</u>	<u>(5,038)</u>	<u>(2,697)</u>	<u>7,194</u>	<u>(14,297)</u>	<u>183,793</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>5,038</u>	<u>2,697</u>	<u>6,843</u>	<u>22,808</u>	<u>356,691</u>
<b>Cash and investments - ending</b>	<u>\$ 58,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,037</u>	<u>\$ 8,511</u>	<u>\$ 540,484</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
<b>Cash and investments</b>	<u>\$ 58,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,037</u>	<u>\$ 8,511</u>	<u>\$ 540,484</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Unrestricted</b>	<u>\$ 58,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,037</u>	<u>\$ 8,511</u>	<u>\$ 540,484</u>

SPRINGS VALLEY 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>Restricted Donation Fund</u>	<u>Backyard Habitat Project</u>	<u>Casino Revenue</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 3,800	\$ 995	\$ 1,122,580	\$ 1,127,375
Deductions:				
Administrative and general	3,800	944	217,475	222,219
Excess of total additions over total deductions	-	51	905,105	905,156
Cash and investment fund balance - beginning	-	-	-	-
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 905,105</u>	<u>\$ 905,156</u>
Net assets:				
Cash and investments	\$ -	\$ 51	\$ 905,105	\$ 905,156
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ 905,105</u>	<u>\$ 905,156</u>

SPRINGS VALLEY 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, 2009

	<u>Restricted Donation Fund</u>	<u>Orange County Community Foundation Rominger</u>	<u>Backyard Habitat Project</u>	<u>Orange County Community Foundation Trevor Apple</u>	<u>SE/SC IND AHEC Chad Goldman</u>
Additions:					
Contributions:					
Other	\$ 28,300	\$ 100	\$ 505	\$ 100	\$ 1,420
Deductions:					
Administrative and general	<u>28,300</u>	<u>100</u>	<u>244</u>	<u>100</u>	<u>1,420</u>
Excess of total additions over total deductions	-	-	261	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>-</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312</u>	<u>\$ -</u>	<u>\$ -</u>

SPRINGS VALLEY 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, 2009  
 (Continued)

	Orange County Community Foundation K. Allen	Orange County Community Foundation Hedy King	Orange County Community Foundation Teresa Apple	Casino Revenue	Totals
Additions:					
Contributions:					
Other	\$ 774	\$ 300	\$ 100	\$ 977,688	\$ 1,009,287
Deductions:					
Administrative and general	774	300	100	685,782	717,120
Excess of total additions over total deductions	-	-	-	291,906	292,167
Cash and investment fund balance - beginning	-	-	-	905,105	905,156
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,011</u>	<u>\$ 1,197,323</u>
Net assets:					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,197,011	\$ 1,197,323
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,011</u>	<u>\$ 1,197,323</u>

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For the year ended June 30, 2009

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 351,012
Buildings	17,340,945
Improvements other than buildings	1,299,354
Machinery and equipment	<u>2,528,603</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 21,519,914</u></u>

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2009

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:		
2002 Qualified zone academy bonds	\$ 535,000	\$ 100,000
2005 Middle school	8,825,000	573,950
Bonds payable:		
General obligation bonds:		
2001 Qualified zone academy bonds	300,000	-
2004 Retirement/severance	<u>1,280,000</u>	<u>127,990</u>
Total governmental activities debt	<u>\$ 10,940,000</u>	<u>\$ 801,940</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 SPRINGS VALLEY COMMUNITY  
SCHOOL CORPORATION, ORANGE COUNTY, INDIANA

Compliance

We have audited the compliance of the Springs Valley 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, 2008 and 2009. 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, 2008 and 2009.

Internal Control Over Compliance

The 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, 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 control deficiency in a School Corporation's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, and 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

February 24, 2010

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2008 and 2009

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 6/30/2008	Total Federal Awards Expended 6/30/2009
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 59,959	\$ 68,335
National School Lunch Program	10.555		<u>169,134</u>	<u>189,283</u>
Total for federal grantor agency			<u>229,093</u>	<u>257,618</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				
FY 2007-08	84.010	07-6160	245,447	-
FY 2008-09		08-6160	<u>-</u>	<u>278,688</u>
Total for Cluster			<u>245,447</u>	<u>278,688</u>
Safe and Drug-Free Schools and Communities - State Grants				
FY 2007-08	84.186	07-6160	4,706	-
FY 2008-09		08-6160	<u>-</u>	<u>3,772</u>
Total for program			<u>4,706</u>	<u>3,772</u>
State Grants for Innovative Programs				
FY 2007-08	84.298	07-6160	<u>1,589</u>	<u>-</u>
Education Technology State Grants				
FY 2008-09	84.318	08-6160	<u>-</u>	<u>58,650</u>
Improving Teacher Quality State Grants				
FY 2007-08	84.367	07-6160	47,951	-
FY 2008-09		08-6160	<u>-</u>	<u>49,011</u>
Total for program			<u>47,951</u>	<u>49,011</u>
Total for federal grantor agency			<u>299,693</u>	<u>390,121</u>
Total federal awards expended			<u>\$ 528,786</u>	<u>\$ 647,739</u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Springs Valley Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 6,185	\$ 7,258
National School Lunch Program	10.555	17,619	19,986

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no
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Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2010, with Todd Pritchett, Superintendent of Schools; Todd Marshall, President of the School Board; and Kathy Allstott, Treasurer. Our audit disclosed no material items that warrant comment at this time.