

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

AUDIT REPORT  
OF  
SCHOOL TOWN OF SPEEDWAY  
MARION COUNTY, INDIANA  
July 1, 2007 to June 30, 2009



**FILED**  
03/17/2010



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Johnson	07-01-07 to 06-30-10
Superintendent of Schools	Kenneth Hull	07-01-07 to 06-30-10
President of the School Board	Dr. Terry E. Reed William Scott Thomas Smith	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Town of Speedway (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 25, 2009, 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.

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

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

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 25, 2009



# STATE OF INDIANA

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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 SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Town of Speedway (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 25, 2009. 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, governing body, 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 25, 2009

**SCHOOL TOWN OF SPEEDWAY**  
**STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS**  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
			<u>Totals</u>	
<b>Governmental activities:</b>				
Instruction	\$ 7,826,480	\$ -	\$ 128,824	\$ (7,697,656)
Support services	4,511,796	392,942	390,567	(3,728,287)
Noninstructional services	912,776	-	-	(912,776)
Facilities acquisition and construction	1,250,813	-	-	(1,250,813)
Debt service	44,762	-	-	(44,762)
Nonprogrammed charges	312,512	-	-	(312,512)
Total governmental activities	<u>\$ 14,859,139</u>	<u>\$ 392,942</u>	<u>\$ 519,391</u>	<u>(13,946,806)</u>
<b>General receipts:</b>				
Property taxes				6,190,338
Other local sources				641,909
State aid				4,391,960
Bonds and loans				6,495,633
Grants and contributions not restricted to specific programs				508,097
Sale of property				36,094
Investment earnings				163,953
Other				81
Total general receipts				<u>18,428,065</u>
Change in net assets				4,481,259
Net assets - beginning				<u>3,470,462</u>
Net assets - ending				<u>\$ 7,951,721</u>
<b>Assets</b>				
Cash and investments				\$ 5,813,153
<b>Restricted assets:</b>				
Cash and investments				<u>2,138,568</u>
Total assets				<u>\$ 7,951,721</u>
<b>Net Assets</b>				
<b>Restricted for:</b>				
Debt service				\$ 2,205
Other purposes				2,136,363
Unrestricted				<u>5,813,153</u>
Total net assets				<u>\$ 7,951,721</u>

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

**SCHOOL TOWN OF SPEEDWAY**  
**STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS**  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
			<u>Totals</u>	
<b>Governmental activities:</b>				
Instruction	\$ 7,560,893	\$ -	\$ 140,068	\$ (7,420,825)
Support services	6,043,849	424,839	378,533	(5,240,477)
Noninstructional services	916,167	-	-	(916,167)
Facilities acquisition and construction	1,400,769	-	-	(1,400,769)
Debt service	5,285,429	-	-	(5,285,429)
Nonprogrammed charges	270,064	-	-	(270,064)
Total governmental activities	<u>\$ 21,477,171</u>	<u>\$ 424,839</u>	<u>\$ 518,601</u>	<u>(20,533,731)</u>
General receipts:				
Property taxes				6,686,763
Other local sources				1,082,658
State aid				7,385,618
Bonds and loans				1,872,661
Grants and contributions not restricted to specific programs				1,766,793
Sale of property				23,524
Investment earnings				93,850
Other				40
Total general receipts				<u>18,911,907</u>
Change in net assets				(1,621,824)
Net assets - beginning				<u>7,951,721</u>
Net assets - ending				<u>\$ 6,329,897</u>
<b>Assets</b>				
Cash and investments				\$ 4,262,919
Restricted assets:				
Cash and investments				<u>2,066,978</u>
Total assets				<u>\$ 6,329,897</u>
<b>Net Assets</b>				
Restricted for:				
Debt service				\$ 9,215
Other purposes				2,057,763
Unrestricted				<u>4,262,919</u>
Total net assets				<u>\$ 6,329,897</u>

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

**SCHOOL TOWN OF SPEEDWAY**  
**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	Capital Projects	Other	Totals
<b>Receipts:</b>				
Local sources	\$ 4,585,523	\$ 2,136,127	\$ 666,555	\$ 7,388,205
Intermediate sources	-	-	937	937
State sources	4,464,941	-	268,826	4,733,767
Federal sources	-	-	685,681	685,681
Temporary loans	4,464,638	1,976,004	54,991	6,495,633
Other	81	-	-	81
<b>Total receipts</b>	<b>13,515,183</b>	<b>4,112,131</b>	<b>1,676,990</b>	<b>19,304,304</b>
<b>Disbursements:</b>				
Current:				
Instruction	7,352,812	-	473,668	7,826,480
Support services	3,104,650	1,124,137	313,717	4,542,504
Noninstructional services	186,122	-	726,654	912,776
Facilities acquisition and construction	-	1,244,825	5,988	1,250,813
Debt services	5,879	2,723	36,160	44,762
Nonprogrammed charges	286,336	-	-	286,336
<b>Total disbursements</b>	<b>10,935,799</b>	<b>2,371,685</b>	<b>1,556,187</b>	<b>14,863,671</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>2,579,384</b>	<b>1,740,446</b>	<b>120,803</b>	<b>4,440,633</b>
<b>Other financing sources (uses):</b>				
Sale of capital assets	10	-	36,084	36,094
Transfers in	65,500	-	-	65,500
<b>Total other financing sources (uses)</b>	<b>65,510</b>	<b>-</b>	<b>36,084</b>	<b>101,594</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,644,894</b>	<b>1,740,446</b>	<b>156,887</b>	<b>4,542,227</b>
<b>Cash and investments - beginning</b>	<b>692,369</b>	<b>93,850</b>	<b>486,912</b>	<b>1,273,131</b>
<b>Cash and investments - ending</b>	<b>\$ 3,337,263</b>	<b>\$ 1,834,296</b>	<b>\$ 643,799</b>	<b>5,815,358</b>
<b>Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:</b>				
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.				<b>2,158,007</b>
<b>Net assets of governmental activities</b>				<b>\$ 7,973,365</b>
<b><u>Cash and Investment Assets - Ending</u></b>				
Cash and investments	\$ 3,337,263	\$ 1,834,296	\$ 641,594	\$ 5,813,153
Restricted assets:				
Cash and investments	-	-	2,205	2,205
<b>Total cash and investment assets - ending</b>	<b>\$ 3,337,263</b>	<b>\$ 1,834,296</b>	<b>\$ 643,799</b>	<b>\$ 5,815,358</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 2,205	\$ 2,205
Unrestricted	3,337,263	1,834,296	641,594	5,813,153
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,337,263</b>	<b>\$ 1,834,296</b>	<b>\$ 643,799</b>	<b>\$ 5,815,358</b>

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

**SCHOOL TOWN OF SPEEDWAY**  
**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	Levy Excess	Fiscal Stabilization Education	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 4,939,648	\$ 531,183	\$ -	\$ 2,051,886	\$ 764,642	\$ 8,287,359
Intermediate sources	-	-	-	-	750	750
State sources	7,469,079	-	-	-	184,730	7,653,809
Federal sources	-	-	915,918	-	1,101,286	2,017,204
Temporary loans	-	-	-	1,816,286	56,375	1,872,661
Other	40	-	-	-	-	40
<b>Total receipts</b>	<b>12,408,767</b>	<b>531,183</b>	<b>915,918</b>	<b>3,868,172</b>	<b>2,107,783</b>	<b>19,831,823</b>
<b>Disbursements:</b>						
Current:						
Instruction	6,722,307	-	-	-	838,586	7,560,893
Support services	3,983,777	-	-	1,545,014	515,058	6,043,849
Noninstructional services	188,542	-	-	-	727,625	916,167
Facilities acquisition and construction	-	-	-	1,400,769	-	1,400,769
Debt services	3,757,921	-	-	1,476,253	51,255	5,285,429
Nonprogrammed charges	270,064	-	-	-	-	270,064
<b>Total disbursements</b>	<b>14,922,611</b>	<b>-</b>	<b>-</b>	<b>4,422,036</b>	<b>2,132,524</b>	<b>21,477,171</b>
Excess (deficiency) of receipts over disbursements	<u>(2,513,844)</u>	<u>531,183</u>	<u>915,918</u>	<u>(553,864)</u>	<u>(24,741)</u>	<u>(1,645,348)</u>
<b>Other financing sources (uses):</b>						
Sale of capital assets	1,831	-	-	-	21,693	23,524
Transfers in	78,600	-	-	-	-	78,600
<b>Total other financing sources (uses)</b>	<b>80,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,693</b>	<b>102,124</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,433,413)</u>	<u>531,183</u>	<u>915,918</u>	<u>(553,864)</u>	<u>(3,048)</u>	<u>(1,543,224)</u>
Cash and investments - beginning	<u>3,337,263</u>	<u>-</u>	<u>-</u>	<u>1,834,296</u>	<u>643,799</u>	<u>5,815,358</u>
<b>Cash and investments - ending</b>	<b>\$ 903,850</b>	<b>\$ 531,183</b>	<b>\$ 915,918</b>	<b>\$ 1,280,432</b>	<b>\$ 640,751</b>	<b>4,272,134</b>
Amounts reported for governmental activities in the Statement of 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.					2,057,763	
Net assets of governmental activities					\$ 6,329,897	
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 903,850	\$ 531,183	\$ 915,918	\$ 1,280,432	\$ 631,536	\$ 4,262,919
Restricted assets:						
Cash and investments	-	-	-	-	9,215	9,215
<b>Total cash and investment assets - ending</b>	<b>\$ 903,850</b>	<b>\$ 531,183</b>	<b>\$ 915,918</b>	<b>\$ 1,280,432</b>	<b>\$ 640,751</b>	<b>\$ 4,272,134</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 9,215	\$ 9,215
Unrestricted	\$ 903,850	\$ 531,183	\$ 915,918	\$ 1,280,432	\$ 631,536	\$ 4,262,919
<b>Total cash and investment fund balance - ending</b>	<b>\$ 903,850</b>	<b>\$ 531,183</b>	<b>\$ 915,918</b>	<b>\$ 1,280,432</b>	<b>\$ 640,751</b>	<b>\$ 4,272,134</b>

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

SCHOOL TOWN OF SPEEDWAY  
 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	\$ 30,708
Operating disbursements:	
Insurance claims and expense	<u>26,176</u>
Excess of operating receipts over operating disbursements	4,532
Transfers out	<u>(65,500)</u>
Change in net assets	(60,968)
Cash and investment fund balance - beginning	<u>2,197,331</u>
Cash and investment fund balance - ending	<u>\$ 2,136,363</u>
<b><u>Cash and Investment Assets - Ending</u></b>	
Restricted assets:	
Cash and investments	<u>\$ 2,136,363</u>
Total cash and investment assets - ending	<u>\$ 2,136,363</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>	
Restricted for:	
Other purposes	<u>\$ 2,136,363</u>
Total cash and investment fund balance - ending	<u>\$ 2,136,363</u>

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

SCHOOL TOWN OF SPEEDWAY  
 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

	<u>Internal Service Fund</u>
Transfers out	\$ (78,600)
Change in net assets	(78,600)
Cash and investment fund balance - beginning	<u>2,136,363</u>
Cash and investment fund balance - ending	<u>\$ 2,057,763</u>
<b><u>Cash and Investment Assets - Ending</u></b>	
Restricted assets:	
Cash and investments	<u>\$ 2,057,763</u>
Total cash and investment assets - ending	<u>\$ 2,057,763</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>	
Restricted for:	
Other purposes	<u>\$ 2,057,763</u>
Total cash and investment fund balance - ending	<u>\$ 2,057,763</u>

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

SCHOOL TOWN OF SPEEDWAY  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	Agency Funds
Assets:	
Cash and investments - ending	<u>\$ 37,229</u>

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

SCHOOL TOWN OF SPEEDWAY  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	Agency Funds
Assets:	
Cash and investments - ending	<u>\$ 51,129</u>

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

SCHOOL TOWN OF SPEEDWAY  
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: School Town of Speedway

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 Avon Community School Corporation, School City of Beech Grove, Carmel Clay Schools, Center Grove Community School Corporation, Clark-Pleasant Community Schools, Franklin Township Community School Corporation, Hamilton Southeastern School Corporation, Lebanon Community School Corporation, Metropolitan School District (MSD) of Decatur Township, MSD of Lawrence Township, MSD of Perry Township, MSD of Pike Township, MSD of Warren Township, MSD of Wayne Township, Indianapolis Public Schools, Zionsville Community School Corporation, and Westfield Washington School Corporation in a joint venture to operate the Central Indiana Educational Services Center (CIESC) which was created to provide certain programs and services for participating school corporations. To participate in the CIESC, each school corporation is billed an amount based upon their student population. Complete financial statements for the CIESC can be obtained from their offices at 6321 Lapas Trail, Indianapolis, Indiana.

The School Corporation is a participant with Metropolitan School District (MSD) of Wayne Township, MSD of Pike Township, Brownsburg Community School Corporation, Avon Community School Corporation, Danville Community School Corporation, Plainfield Community School Corporation, Mooresville Consolidated School Corporation, Monroe-Gregg School District, and Zionsville Community School Corporation in a joint venture to operate the West Central Joint Services (Co-op) which was created to provide instruction for handicapped children. The Co-op uses its surplus resources to undertake special projects for the school district. The Co-op's continued existence depends on the continued funding by the school districts. Complete financial statements for the Co-op can be obtained from Metropolitan School District of Wayne Township, 1220 South High School Road, Indianapolis, Indiana.

The School Corporation is a participant with Metropolitan School District (MSD) Wayne Township, Avon Community School Corporation, Brownsburg Community School Corporation, Danville Community School Corporation, MSD Decatur Township, Mill Creek Community School Corporation, North West Hendricks Schools, Monroe-Gregg School District, Mooresville Consolidated Schools, Plainfield Community School Corporation, and MSD Pike Township in a joint venture to

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

operate the Area Vocational Education (Co-op) which was created to provide instruction in vocational education. The school corporations are obligated by contract to remit their share of the cost of the Co-op based on the number of their students in the Co-op. The Co-op uses its surplus resources to undertake special projects for the school corporations. The Co-op's continued existence depends on continued funding by the school corporations. Complete financial statements for the Co-op can be obtained from Metropolitan School District of Wayne Township, 1220 South High School Road, Indianapolis, Indiana.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes 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 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 levy excess fund accounts for property taxes received which exceeds the School Corporation's ad valorem property tax levy as certified each year by the Department of Local Government Finance.

The fiscal stabilization education 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.

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

Additionally, the School Corporation reports the following fund types:

The internal service fund is a self-insurance fund established to provide medical benefits to retirees.

Agency funds account for assets held by the School Corporation as an agent for individuals, private organizations, and other governments.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The government-wide, governmental fund, proprietary 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.

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

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.

**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.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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."

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 and the similar discretely presented component unit 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.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. 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 except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

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.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 and Investments**

**1. 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. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$6,842,852. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

**2. Investments**

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2009, the School Corporation had no investments or a formal investment policy.

**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>2007</u>	<u>2008</u>
Self-Insurance Fund	General Fund	\$ 65,500	\$ 78,600
<b>Totals</b>		<b>\$ 65,500</b>	<b>\$ 78,600</b>

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

**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.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees and dependents (excluding postemployment benefits); 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.

Medical Benefits to Retirees

The School Corporation has chosen to establish a risk financing fund for risks associated with Medical Benefits to Retirees. The risk financing fund is accounted for in the Self-Insurance Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Claim liabilities are not reasonably estimable.

B. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by Anthem Blue Cross Blue Shield. The plan provides medical benefits to eligible retirees and their spouses. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the School Corporation. Anthem Blue Cross Blue Shield issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Anthem Blue Cross and Blue Shield  
220 Virginia Avenue  
Indianapolis, IN 46204-3632

Funding Policy

The contribution requirements of plan members for the Retiree Healthcare Plan are established by the School Board. Contributions are determined based upon the classification of the person that retires. Certified personnel with at least 10 years experience in the School Corporation who retire at or after age 55 will receive a maximum contribution of \$3,300 per school year, pro rated on a monthly basis. The School Board pays 4/5 or 80% of the insurance premium for eligible administrators who have attained at least 10 years experience in the School Corporation at the time of retirement and have been enrolled in the school health insurance plan for 5 years immediately preceding retirement. The retiree is responsible for paying the remaining 20%. The School Board discontinues contributions for all retirees at the time they become eligible for Medicare or upon the death of the retiree, whichever comes first. Currently, six retirees meet the eligibility requirements to receive health benefits. For the year ended June 30, 2009, the School Corporation contributed \$46,843 to the plan.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. 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.

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.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	<u>PERF</u>
Annual required contribution	\$ 104,754
Interest on net pension obligation	(5,668)
Adjustment to annual required contribution	<u>6,459</u>
Annual pension cost	105,545
Contributions made	<u>84,991</u>
Increase (decrease) in net pension obligation	20,554
Net pension obligation, beginning of year	<u>(78,180)</u>
Net pension obligation, end of year	<u>\$ (57,626)</u>
	<u>PERF</u>
Contribution rates:	
School Corporation	6.75%
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	4 year smoothed market
<u>Actuarial Assumptions</u>	<u>PERF</u>
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	\$ 85,803	80%	\$ (102,737)
	06-30-07	98,836	75%	(78,180)
	06-30-08	105,545	81%	(57,626)

SCHOOL TOWN OF SPEEDWAY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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 \$286,009, \$277,187, and \$439,608, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

**SCHOOL TOWN OF SPEEDWAY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF FUNDING PROGRESS**

<u>Public Employees' Retirement Fund</u>							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)	
07-01-06	\$ 1,045,629	\$ 1,294,203	\$ (248,574)	81%	\$ 1,301,305	(19%)	
07-01-07	1,215,259	1,528,392	(313,133)	80%	1,291,914	(24%)	
07-01-08	1,380,887	1,486,102	(105,215)	93%	1,314,831	(8%)	

**SCHOOL TOWN OF SPEEDWAY**  
**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	Education License Plate	Early Intervention Grant	Non English Speaking Program
<b>Receipts:</b>							
Local sources	\$ 75,517	\$ 18,540	\$ 362,155	\$ 139,130	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	937	-	-
State sources	-	48,026	7,968	65,689	-	76,800	23,519
Federal sources	-	-	316,910	-	-	-	-
Temporary loans	<u>54,991</u>	-	-	-	-	-	-
<b>Total receipts</b>	<b>130,508</b>	<b>66,566</b>	<b>687,033</b>	<b>204,819</b>	<b>937</b>	<b>76,800</b>	<b>23,519</b>
<b>Disbursements:</b>							
Current:							
Instruction	-	80,229	-	20,636	-	76,800	-
Support services	74,771	-	-	120,817	-	-	23,519
Noninstructional services	-	-	726,654	-	-	-	-
Facilities acquisition and construction	-	-	5,988	-	-	-	-
Debt services	<u>76</u>	-	-	-	-	-	-
<b>Total disbursements</b>	<b>74,847</b>	<b>80,229</b>	<b>732,642</b>	<b>141,453</b>	<b>-</b>	<b>76,800</b>	<b>23,519</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>55,661</b>	<b>(13,663)</b>	<b>(45,609)</b>	<b>63,366</b>	<b>937</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	36,084	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	55,661	(13,663)	(45,609)	99,450	937	-	-
<b>Cash and investments - beginning</b>	<b>(35,775)</b>	<b>17,407</b>	<b>125,393</b>	<b>50,161</b>	<b>8,794</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 19,886</b>	<b>\$ 3,744</b>	<b>\$ 79,784</b>	<b>\$ 149,611</b>	<b>\$ 9,731</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 19,886	\$ 3,744	\$ 79,784	\$ 149,611	\$ 9,731	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 19,886</b>	<b>\$ 3,744</b>	<b>\$ 79,784</b>	<b>\$ 149,611</b>	<b>\$ 9,731</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>19,886</u>	<u>3,744</u>	<u>79,784</u>	<u>149,611</u>	<u>9,731</u>	<u>-</u>	<u>-</u>
<b>Total cash and investment fund balance - ending</b>	<b>\$ 19,886</b>	<b>\$ 3,744</b>	<b>\$ 79,784</b>	<b>\$ 149,611</b>	<b>\$ 9,731</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL TOWN OF SPEEDWAY**  
**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)**

	<u>School Technology</u>	<u>Lilly Grant Endowment</u>	<u>Indianapolis Chamber of Commerce</u>	<u>AAE-Lumina Grant</u>	<u>Health &amp; Hospital Corp Grant</u>	<u>State High Ability Grant</u>	<u>Title V</u>
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 25,000	\$ 10,000	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	14,500	-	-	-	-	32,324	-
Federal sources	-	-	-	-	-	-	2,876
Temporary loans	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>14,500</b>	<b>-</b>	<b>25,000</b>	<b>10,000</b>	<b>-</b>	<b>32,324</b>	<b>2,876</b>
<b>Disbursements:</b>							
Current:							
Instruction	-	-	-	7,087	-	17,392	-
Support services	-	33,200	12,845	-	15,277	-	2,876
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>33,200</b>	<b>12,845</b>	<b>7,087</b>	<b>15,277</b>	<b>17,392</b>	<b>2,876</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>14,500</b>	<b>(33,200)</b>	<b>12,155</b>	<b>2,913</b>	<b>(15,277)</b>	<b>14,932</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>14,500</b>	<b>(33,200)</b>	<b>12,155</b>	<b>2,913</b>	<b>(15,277)</b>	<b>14,932</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>195,787</b>	<b>33,200</b>	<b>-</b>	<b>8,993</b>	<b>48,666</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 210,287</b>	<b>\$ -</b>	<b>\$ 12,155</b>	<b>\$ 11,906</b>	<b>\$ 33,389</b>	<b>\$ 14,932</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 210,287	\$ -	\$ 12,155	\$ 11,906	\$ 33,389	\$ 14,932	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 210,287</b>	<b>\$ -</b>	<b>\$ 12,155</b>	<b>\$ 11,906</b>	<b>\$ 33,389</b>	<b>\$ 14,932</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<b>\$ 210,287</b>	<b>\$ -</b>	<b>\$ 12,155</b>	<b>\$ 11,906</b>	<b>\$ 33,389</b>	<b>\$ 14,932</b>	<b>\$ -</b>
<b>Total cash and investment fund balance - ending</b>	<b>\$ 210,287</b>	<b>\$ -</b>	<b>\$ 12,155</b>	<b>\$ 11,906</b>	<b>\$ 33,389</b>	<b>\$ 14,932</b>	<b>\$ -</b>

**SCHOOL TOWN OF SPEEDWAY**  
**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)**

	WCJS Special Education Grant	Title IV Drug Free Schools	Title II Part A	Title III Limited English & Immigration Grant	Debt Service	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 36,213	\$ 666,555
Intermediate sources	-	-	-	-	-	937
State sources	-	-	-	-	-	268,826
Federal sources	288,863	5,195	46,620	25,217	-	685,681
Temporary loans	-	-	-	-	-	54,991
<b>Total receipts</b>	<b>288,863</b>	<b>5,195</b>	<b>46,620</b>	<b>25,217</b>	<b>36,213</b>	<b>1,676,990</b>
<b>Disbursements:</b>						
Current:						
Instruction	224,509	-	47,015	-	-	473,668
Support services	-	5,195	-	25,217	-	313,717
Noninstructional services	-	-	-	-	-	726,654
Facilities acquisition and construction	-	-	-	-	-	5,988
Debt services	-	-	-	-	36,084	36,160
<b>Total disbursements</b>	<b>224,509</b>	<b>5,195</b>	<b>47,015</b>	<b>25,217</b>	<b>36,084</b>	<b>1,556,187</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>64,354</b>	<b>-</b>	<b>(395)</b>	<b>-</b>	<b>129</b>	<b>120,803</b>
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	36,084
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,354	-	(395)	-	129	156,887
<b>Cash and investments - beginning</b>	<b>32,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,076</b>	<b>486,912</b>
<b>Cash and investments - ending</b>	<b>\$ 96,564</b>	<b>\$ -</b>	<b>\$ (395)</b>	<b>\$ -</b>	<b>\$ 2,205</b>	<b>\$ 643,799</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 96,564	\$ -	\$ (395)	\$ -	\$ -	\$ 641,594
Restricted assets:						
Cash and investments	-	-	-	-	2,205	2,205
<b>Total cash and investment assets - ending</b>	<b>\$ 96,564</b>	<b>\$ -</b>	<b>\$ (395)</b>	<b>\$ -</b>	<b>\$ 2,205</b>	<b>\$ 643,799</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,205	\$ 2,205
Unrestricted	96,564	-	(395)	-	-	641,594
<b>Total cash and investment fund balance - ending</b>	<b>\$ 96,564</b>	<b>\$ -</b>	<b>\$ (395)</b>	<b>\$ -</b>	<b>\$ 2,205</b>	<b>\$ 643,799</b>

**SCHOOL TOWN OF SPEEDWAY**  
**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	Education License Plates	Non English Speaking Program	School Technology
<b>Receipts:</b>							
Local sources	\$ 56,745	\$ 22,375	\$ 392,811	\$ 131,829	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	750	-	-
State sources	-	53,043	8,427	52,750	-	24,285	13,902
Federal sources	-	-	317,357	-	-	-	-
Temporary loans	<u>56,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>113,120</u>	<u>75,418</u>	<u>718,595</u>	<u>184,579</u>	<u>750</u>	<u>24,285</u>	<u>13,902</u>
<b>Disbursements:</b>							
Current:							
Instruction	-	64,108	-	-	-	-	-
Support services	85,907	5,607	-	183,700	-	24,285	40,764
Noninstructional services	-	-	721,955	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	<u>29,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>115,469</u>	<u>69,715</u>	<u>721,955</u>	<u>183,700</u>	<u>-</u>	<u>24,285</u>	<u>40,764</u>
Excess (deficiency) of receipts over disbursements	<u>(2,349)</u>	<u>5,703</u>	<u>(3,360)</u>	<u>879</u>	<u>750</u>	<u>-</u>	<u>(26,862)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	21,693	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,349)</u>	<u>5,703</u>	<u>(3,360)</u>	<u>22,572</u>	<u>750</u>	<u>-</u>	<u>(26,862)</u>
Cash and investments - beginning	<u>19,886</u>	<u>3,744</u>	<u>79,784</u>	<u>149,611</u>	<u>9,731</u>	<u>-</u>	<u>210,287</u>
Cash and investments - ending	<u><u>\$ 17,537</u></u>	<u><u>\$ 9,447</u></u>	<u><u>\$ 76,424</u></u>	<u><u>\$ 172,183</u></u>	<u><u>\$ 10,481</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 183,425</u></u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 17,537	\$ 9,447	\$ 76,424	\$ 172,183	\$ 10,481	\$ -	\$ 183,425
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u><u>\$ 17,537</u></u>	<u><u>\$ 9,447</u></u>	<u><u>\$ 76,424</u></u>	<u><u>\$ 172,183</u></u>	<u><u>\$ 10,481</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 183,425</u></u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>17,537</u>	<u>9,447</u>	<u>76,424</u>	<u>172,183</u>	<u>10,481</u>	<u>-</u>	<u>183,425</u>
Total cash and investment fund balance - ending	<u><u>\$ 17,537</u></u>	<u><u>\$ 9,447</u></u>	<u><u>\$ 76,424</u></u>	<u><u>\$ 172,183</u></u>	<u><u>\$ 10,481</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 183,425</u></u>

**SCHOOL TOWN OF SPEEDWAY**  
**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)**

	Indianapolis Chamber of Commerce	Intervention Academy	Medicaid ADM Claiming	AAE-Lumina Grant	Health & Hospital Corp Grant	State High Ability Grant	Title I
<b>Receipts:</b>							
Local sources	\$ 50,001	\$ 6,000	\$ 26,178	\$ 10,000	\$ 40,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	32,323	-
Federal sources	-	-	-	-	-	-	369,954
Temporary loans	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>50,001</b>	<b>6,000</b>	<b>26,178</b>	<b>10,000</b>	<b>40,000</b>	<b>32,323</b>	<b>369,954</b>
<b>Disbursements:</b>							
Current:							
Instruction	-	2,558	-	17,136	-	26,756	332,448
Support services	56,323	-	26,178	-	6,985	-	36,158
Noninstructional services	-	-	-	-	-	-	5,670
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>56,323</b>	<b>2,558</b>	<b>26,178</b>	<b>17,136</b>	<b>6,985</b>	<b>26,756</b>	<b>374,276</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(6,322)</b>	<b>3,442</b>	<b>-</b>	<b>(7,136)</b>	<b>33,015</b>	<b>5,567</b>	<b>(4,322)</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(6,322)</b>	<b>3,442</b>	<b>-</b>	<b>(7,136)</b>	<b>33,015</b>	<b>5,567</b>	<b>(4,322)</b>
<b>Cash and investments - beginning</b>	<b>12,155</b>	<b>-</b>	<b>-</b>	<b>11,906</b>	<b>33,389</b>	<b>14,932</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 5,833</b>	<b>\$ 3,442</b>	<b>\$ -</b>	<b>\$ 4,770</b>	<b>\$ 66,404</b>	<b>\$ 20,499</b>	<b>\$ (4,322)</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 5,833	\$ 3,442	\$ -	\$ 4,770	\$ 66,404	\$ 20,499	\$ (4,322)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 5,833</b>	<b>\$ 3,442</b>	<b>\$ -</b>	<b>\$ 4,770</b>	<b>\$ 66,404</b>	<b>\$ 20,499</b>	<b>\$ (4,322)</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>5,833</u>	<u>3,442</u>	<u>-</u>	<u>4,770</u>	<u>66,404</u>	<u>20,499</u>	<u>(4,322)</u>
<b>Total cash and investment fund balance - ending</b>	<b>\$ 5,833</b>	<b>\$ 3,442</b>	<b>\$ -</b>	<b>\$ 4,770</b>	<b>\$ 66,404</b>	<b>\$ 20,499</b>	<b>\$ (4,322)</b>

**SCHOOL TOWN OF SPEEDWAY**  
**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)**

	WCJS Special Education Grant	Title IV Drug Free Schools	Title II Part A	Title III Limited English & Immigration Grant	Debt Service	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 28,703	\$ 764,642
Intermediate sources	-	-	-	-	-	750
State sources	-	-	-	-	-	184,730
Federal sources	295,688	5,051	69,136	44,100	-	1,101,286
Temporary loans	-	-	-	-	-	56,375
<b>Total receipts</b>	<b>295,688</b>	<b>5,051</b>	<b>69,136</b>	<b>44,100</b>	<b>28,703</b>	<b>2,107,783</b>
<b>Disbursements:</b>						
Current:						
Instruction	326,839	-	68,741	-	-	838,586
Support services	-	5,051	-	44,100	-	515,058
Noninstructional services	-	-	-	-	-	727,625
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	21,693	51,255
<b>Total disbursements</b>	<b>326,839</b>	<b>5,051</b>	<b>68,741</b>	<b>44,100</b>	<b>21,693</b>	<b>2,132,524</b>
Excess (deficiency) of receipts over disbursements	(31,151)	-	395	-	7,010	(24,741)
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	-	21,693
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,151)	-	395	-	7,010	(3,048)
Cash and investments - beginning	96,564	-	(395)	-	2,205	643,799
Cash and investments - ending	<b>\$ 65,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,215</b>	<b>\$ 640,751</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 65,413	\$ -	\$ -	\$ -	\$ -	\$ 631,536
Restricted assets:						
Cash and investments	-	-	-	-	9,215	9,215
Total cash and investment assets - ending	<b>\$ 65,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,215</b>	<b>\$ 640,751</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 9,215	\$ 9,215
Unrestricted	65,413	-	-	-	-	631,536
Total cash and investment fund balance - ending	<b>\$ 65,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,215</b>	<b>\$ 640,751</b>

SCHOOL TOWN OF SPEEDWAY  
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
AGENCY FUNDS  
For the Year Ended June 30, 2008

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	<u>\$ 2,716,756</u>
Deductions:	
Agency fund deductions	<u>2,691,662</u>
Excess (deficiency) of total additions over total deductions	25,094
Cash and investment fund balance - beginning	<u>12,135</u>
Cash and investment fund balance - ending	<u>\$ 37,229</u>

SCHOOL TOWN OF SPEEDWAY  
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
AGENCY FUNDS  
For the Year Ended June 30, 2009

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	<u>\$ 2,797,441</u>
Deductions:	
Agency fund deductions	<u>2,783,541</u>
Excess (deficiency) of total additions over total deductions	13,900
Cash and investment fund balance - beginning	<u>37,229</u>
Cash and investment fund balance - ending	<u>\$ 51,129</u>

SCHOOL TOWN OF SPEEDWAY  
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:	
Buildings	\$ 56,264,112
Improvements other than buildings	1,785,817
Machinery and equipment	1,675,203
Construction in progress	<u>1,134,700</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 60,859,832</u>

SCHOOL TOWN OF SPEEDWAY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
June 30, 2009

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental Activities:</b>		
Notes and loans payable-Tax Anticipation Warrants	\$ <u>4,242,317</u>	\$ <u>4,336,920</u>

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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

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

TO: THE OFFICIALS OF THE SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

### Compliance

We have audited the compliance of the School Town of Speedway (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, governing body, 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 25, 2009

**SCHOOL TOWN OF SPEEDWAY**  
**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 06-30-08	Total Federal Awards Expended 06-30-09
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 2007-08 FY 2008-09	\$ 74,663 - \$ -	59,884
National School Lunch Program	10.555	FY 2007-08 FY 2008-09	337,246 - \$ 298,128	-
Total for cluster and federal grantor agency			<u>411,909</u>	<u>358,012</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Pass-Through Indiana Department of Education Title I Cluster Title I Grants to Local Educational Agencies	84.010	09-5400	- \$ 374,276	<u>374,276</u>
Total for cluster			<u>-</u>	<u>374,276</u>
Pass-Through West Central Joint Services, MSD Wayne Township Special Education Cluster Special Education - Grants to States	84.027	14208-063-PN01 14209-063-PN01	224,509 - \$ 314,342	<u>224,509</u> <u>314,342</u>
Total for program			<u>224,509</u>	<u>314,342</u>
Special Education - Preschool Grants	84.173	45709-063-PN01	- \$ 12,497	<u>12,497</u>
Total for program			<u>-</u>	<u>12,497</u>
Total for cluster			<u>224,509</u>	<u>326,839</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities	84.186	06-5400 07-5400	5,195 - \$ 5,051	<u>5,195</u> <u>5,051</u>
Total for program			<u>5,195</u>	<u>5,051</u>
Innovative Education Program Strategies	84.298	07-5400	2,876 -	<u>2,876</u> <u>-</u>
Improving Teacher Quality - State Grants	84.367	07-5400 08-5400	47,015 - \$ 68,741	<u>47,015</u> <u>68,741</u>
Total for program			<u>47,015</u>	<u>68,741</u>
Total for federal grantor agency			<u>279,595</u>	<u>774,907</u>
Total federal awards expended			<u>\$ 691,504</u>	<u>\$ 1,132,919</u>

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

SCHOOL TOWN OF SPEEDWAY  
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 School Town of Speedway (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 schools 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
School Breakfast Program	10.553	\$ 17,219	\$ 6,800
National School Lunch Program	10.555	77,779	33,855

SCHOOL TOWN OF SPEEDWAY  
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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Title I Cluster

Special Education Cluster

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

Auditee qualified as low-risk auditee?

yes

Section II – Financial Statement Findings

No matters were reportable.

Section III – Federal Award Findings and Questioned Costs

No matters were reportable.

SCHOOL TOWN OF SPEEDWAY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SCHOOL TOWN OF SPEEDWAY  
EXIT CONFERENCE

The contents of this report were discussed on February 25, 2010, with Kenneth Hull, Superintendent of Schools; Nancy Johnson, Treasurer; Thomas Smith, President of the School Board; and Patti Bock, Title I Director. Our audit disclosed no material items that warrant comment at this time.