

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

AUDIT REPORT
OF
SPENCER-OWEN COMMUNITY SCHOOLS
OWEN COUNTY, INDIANA
July 1, 2008 to June 30, 2010



FILED
02/28/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-22
Required Supplementary Information	
Schedule of Funding Progress	23
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	24-43
Combining Schedule of Cash and Investment Balances – Agency Funds	44-45
Schedule of Capital Assets.....	46
Schedule of Long-Term Debt	47
Supplemental Audit of Federal Awards:	
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.....	50-51
Schedule of Expenditures of Federal Awards	52-53
Notes to Schedule of Expenditures of Federal Awards.....	54
Schedule of Findings and Questioned Costs	55
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	56
Exit Conference.....	57

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Evelyn Hamilton Darla Thomas	07-01-08 to 12-31-10 01-01-11 to 06-30-11
Superintendent of Schools	Marsha Turner-Shear Greg Linton (Interim) Greg Linton	07-01-08 to 03-17-09 03-18-09 to 12-09-09 12-10-09 to 06-30-11
President of the School Board	Tom Abrell	07-01-08 to 06-30-11



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

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

TO: THE OFFICIALS OF THE SPENCER-OWEN COMMUNITY SCHOOLS, OWEN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Spencer-Owen Community Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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 pre-scribed 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, 2009 and 2010, 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 January 13, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON 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, Schedule of Contributions From the Employer and Other Contributing Entities, 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

January 13, 2011



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

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 SPENCER-OWEN COMMUNITY SCHOOLS, OWEN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Spencer-Owen Community Schools (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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, 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

January 13, 2011

SPENCER-OWEN COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 15,699,877	\$ -	\$ 133,196	\$ (15,566,681)
Support services	10,205,410	557,132	601,270	(9,047,008)
Noninstructional services	1,171,335	-	-	(1,171,335)
Facilities acquisition and construction	956,778	-	-	(956,778)
Debt service	7,343,862	-	-	(7,343,862)
Nonprogrammed charges	699,708	-	-	(699,708)
Total governmental activities	\$ 36,076,970	\$ 557,132	\$ 734,466	(34,785,372)
General receipts:				
Property taxes				14,545,155
Other local sources				3,005,535
State aid				15,224,891
Bonds and loans				3,700,000
Grants and contributions not restricted to specific programs				2,977,851
Sale of property				4,780
Investment earnings				38,165
Other				37,827
Total general receipts				39,534,204
Change in net assets				4,748,832
Net assets - beginning				2,458,877
Net assets - ending				\$ 7,207,709
<u>Assets</u>				
Cash and investments				\$ 6,270,163
Restricted assets:				
Cash and investments				937,546
Total assets				\$ 7,207,709
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 937,546
Unrestricted				6,270,163
Total net assets				\$ 7,207,709

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

SPENCER-OWEN COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 15,108,482	\$ -	\$ 84,325	\$ (15,024,157)
Support services	8,855,518	520,175	790,856	(7,544,487)
Noninstructional services	1,141,472	-	-	(1,141,472)
Facilities acquisition and construction	987,151	-	-	(987,151)
Debt service	7,201,748	-	-	(7,201,748)
Nonprogrammed charges	684,044	-	-	(684,044)
Total governmental activities	\$ 33,978,415	\$ 520,175	\$ 875,181	(32,583,059)
General receipts:				
Property taxes				7,226,191
Other local sources				2,653,049
State aid				17,876,834
Bonds and loans				1,325,000
Grants and contributions not restricted to specific programs				2,120,326
Investment earnings				15,996
Other				28,807
Total general receipts				31,246,203
Change in net assets				(1,336,856)
Net assets - beginning				7,207,708
Net assets - ending				\$ 5,870,852
<u>Assets</u>				
Cash and investments				\$ 4,992,172
Restricted assets:				
Cash and investments				878,680
Total assets				\$ 5,870,852
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 878,680
Unrestricted				4,992,172
Total net assets				\$ 5,870,852

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

SPENCER-OWEN COMMUNITY SCHOOLS
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	Transportation Operating	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 5,652,891	\$ 3,126,244	\$ 33,386	\$ 4,776,069	\$ 3,127,028	\$ 1,317,229	\$ 18,032,847
Intermediate sources	24,749	-	-	-	-	88,389	113,138
State sources	15,292,963	-	-	-	-	456,392	15,749,355
Federal sources	-	-	-	-	-	3,188,024	3,188,024
Temporary loans	3,700,000	-	-	-	-	-	3,700,000
Other	37,177	-	-	-	-	650	37,827
Total receipts	24,707,780	3,126,244	33,386	4,776,069	3,127,028	5,050,684	40,821,191
Disbursements:							
Current:							
Instruction	13,304,973	-	-	-	-	2,394,904	15,699,877
Support services	6,175,547	1,986,905	-	-	1,148,335	894,792	10,205,579
Noninstructional services	22,910	-	-	-	-	1,148,425	1,171,335
Facilities acquisition and construction	-	-	-	-	956,778	-	956,778
Debt services	4,000,000	-	-	3,089,381	-	254,481	7,343,862
Nonprogrammed charges	557,116	-	-	-	-	142,592	699,708
Total disbursements	24,060,546	1,986,905	-	3,089,381	2,105,113	4,835,194	36,077,139
Excess of receipts over disbursements	647,234	1,139,339	33,386	1,686,688	1,021,915	215,490	4,744,052
Other financing sources (uses):							
Sale of capital assets	4,780	-	-	-	-	-	4,780
Transfers in	2,869,014	1,118,674	-	20,566	963,808	130,245	5,102,307
Transfers out	(2,105,440)	(900,000)	-	(913,308)	(1,025,000)	(158,559)	(5,102,307)
Total other financing sources (uses)	768,354	218,674	-	(892,742)	(61,192)	(28,314)	4,780
Excess of receipts and other financing sources over disbursements and other financing uses	1,415,588	1,358,013	33,386	793,946	960,723	187,176	4,748,832
Cash and investments - beginning	815,600	116,893	83,591	-	347,960	1,094,833	2,458,877
Cash and investments - ending	\$ 2,231,188	\$ 1,474,906	\$ 116,977	\$ 793,946	\$ 1,308,683	\$ 1,282,009	\$ 7,207,709
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,231,188	\$ 1,474,906	\$ 116,977	\$ -	\$ 1,308,683	\$ 1,138,409	\$ 6,270,163
Restricted assets:							
Cash and investments	-	-	-	793,946	-	143,600	937,546
Total cash and investment assets - ending	\$ 2,231,188	\$ 1,474,906	\$ 116,977	\$ 793,946	\$ 1,308,683	\$ 1,282,009	\$ 7,207,709
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 793,946	\$ -	\$ 143,600	\$ 937,546
Unrestricted	2,231,188	1,474,906	116,977	-	1,308,683	1,138,409	6,270,163
Total cash and investment fund balance - ending	\$ 2,231,188	\$ 1,474,906	\$ 116,977	\$ 793,946	\$ 1,308,683	\$ 1,282,009	\$ 7,207,709

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

SPENCER-OWEN COMMUNITY SCHOOLS
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, 2010

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 1,136,676	\$ 2,323,436	\$ -	\$ 3,677,006	\$ 2,071,771	\$ 1,086,245	\$ 10,295,134
Intermediate sources	12,253	-	-	-	-	108,023	120,276
State sources	17,900,501	-	-	-	-	319,734	18,220,235
Federal sources	-	-	-	-	-	2,652,108	2,652,108
Temporary loans	1,325,000	-	-	-	-	-	1,325,000
Other	703	2,160	-	-	25,434	510	28,807
Total receipts	20,375,133	2,325,596	-	3,677,006	2,097,205	4,166,620	32,641,560
Disbursements:							
Current:							
Instruction	13,203,494	-	314,590	-	-	1,590,398	15,108,482
Support services	5,013,372	2,170,865	-	-	801,911	869,370	8,855,518
Noninstructional services	4,170	-	-	-	-	1,137,302	1,141,472
Facilities acquisition and construction	-	-	-	-	987,151	-	987,151
Debt services	3,700,000	-	-	3,252,397	-	249,351	7,201,748
Nonprogrammed charges	571,171	-	93,329	-	-	19,544	684,044
Total disbursements	22,492,207	2,170,865	407,919	3,252,397	1,789,062	3,865,965	33,978,415
Excess (deficiency) of receipts over disbursements	(2,117,074)	154,731	(407,919)	424,609	308,143	300,655	(1,336,855)
Other financing sources (uses):							
Transfers in	2,237,309	737,153	1,140,000	-	700,000	453,926	5,268,388
Transfers out	(1,471,926)	(1,602,181)	-	(501,261)	(1,336,158)	(356,862)	(5,268,388)
Total other financing sources (uses)	765,383	(865,028)	1,140,000	(501,261)	(636,158)	97,064	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,351,691)	(710,297)	732,081	(76,652)	(328,015)	397,719	(1,336,855)
Cash and investments - beginning	2,231,188	1,474,906	116,977	793,946	1,308,683	1,282,007	7,207,707
Cash and investments - ending	<u>\$ 879,497</u>	<u>\$ 764,609</u>	<u>\$ 849,058</u>	<u>\$ 717,294</u>	<u>\$ 980,668</u>	<u>\$ 1,679,726</u>	<u>\$ 5,870,852</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 879,497	\$ 764,609	\$ 849,058	\$ -	\$ 980,668	\$ 1,518,340	\$ 4,992,172
Restricted assets:							
Cash and investments	-	-	-	717,294	-	161,386	878,680
Total cash and investment assets - ending	<u>\$ 879,497</u>	<u>\$ 764,609</u>	<u>\$ 849,058</u>	<u>\$ 717,294</u>	<u>\$ 980,668</u>	<u>\$ 1,679,726</u>	<u>\$ 5,870,852</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 717,294	\$ -	\$ 161,386	\$ 878,680
Unrestricted	879,497	764,609	849,058	-	980,668	1,518,340	4,992,172
Total cash and investment fund balance - ending	<u>\$ 879,497</u>	<u>\$ 764,609</u>	<u>\$ 849,058</u>	<u>\$ 717,294</u>	<u>\$ 980,668</u>	<u>\$ 1,679,726</u>	<u>\$ 5,870,852</u>

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

SPENCER-OWEN COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Trust Funds	Agency Funds
Additions	\$ <u> -</u>	
Deductions:		
Benefits	<u> 10,162</u>	
Deficiency of total additions over total deductions	(10,162)	
Cash and investment fund balance - beginning	<u> 10,162</u>	
Cash and investment fund balance - ending	<u><u> -</u></u>	<u><u> 150,466</u></u>

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

SPENCER-OWEN COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 147,209</u>

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

SPENCER-OWEN COMMUNITY SCHOOLS
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: Spencer-Owen Community Schools

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

Joint Venture

The School Corporation is a participant in a joint venture to operate Forest Hills Special Education Cooperative which was created to provide educational services to exceptional children. The School Corporation is obligated by contract to remit \$373,318 annually to supplement the Forest Hills Special Education Cooperative. Complete financial statements for the Forest Hills Special Education Cooperative can be obtained from the joint venture's administrative office in Bloomington, Indiana.

The School Corporation is a participant in a joint venture to operate Area 30 Career Center which was created to provide vocational education to students. The School Corporation is obligated by contract to remit \$302,760 annually to supplement the Area 30 Career Center. Complete financial statements for the Area 30 Career Center can be obtained from the joint venture's administrative office in Greencastle, 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. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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,

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Transportation Operating Fund accounts for financial resources for the transportation of schoolchildren to and from school.

The Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

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

The Capital Projects Fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

The Pension Trust Fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the school cooperation in a trustee capacity.

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

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.

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may 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.

4. 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.

5. Long-Term Debt

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

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. 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."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts

Program Receipts

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

F. Internal and Interfund 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

A. 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 January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, 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 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.

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. IC 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. All funds will be deposited at an approved depository. At June 30, 2010, the School Corporation had deposit balances in the amount of \$6,299,012.

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

As of June 30, 2010, the School Corporation had no investments.

Statutory Authorization for Investments

IC 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Transportation Operating Fund	\$ 1,118,674	\$ 737,153
	Debt Service Fund	20,566	-
	Capital Projects Fund	963,808	700,000
	Other Governmental Funds	2,392	34,773
Transportation Operating Fund	General Fund	900,000	1,212,153
	Rainy Day Fund	-	300,000
	Other Governmental Funds	-	90,028
Debt Service Fund	General Fund	913,308	-
	Rainy Day Fund	-	360,000
	Other Governmental Funds	-	141,261
Capital Projects Fund	General Fund	1,025,000	950,000
	Rainy Day Fund	-	300,000
	Other Governmental Funds	-	86,158
Other Governmental Funds	General Fund	30,706	75,156
	Rainy Day Fund	-	180,000
	Other Governmental Funds	<u>127,853</u>	<u>101,706</u>
Totals		<u>\$ 5,102,307</u>	<u>\$ 5,268,388</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions. The School Corporation made transfers from various funds to the rainy day fund and made required excess levy transfers.

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.

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2008</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2008</u>
Major Funds	\$ 1,625,073	\$ (261,029)	\$ 1,364,044
Other Governmental Funds	833,804	261,029	1,094,833

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; and natural disasters.

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 natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporations

The School Corporation has entered into a capital lease with Spencer-Owen Facility Improvement 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 2008-2009 and 2009-2010 totaled \$684,000 and \$660,000, respectively.

The School Corporation has entered into a capital lease with Owen Valley High 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 2008-2009 and 2009-2010 totaled \$432,500 and \$482,500, respectively.

C. Termination Benefits

Certified personnel were offered a one-time voluntary early retirement cash incentive payment of \$20,000. Classified personnel were offered a one-time voluntary early retirement cash incentive payment of \$12,000 for those with family health coverage, or \$5,000 for those with single health coverage. A total of sixteen certified and six classified personnel accepted the benefit. The cost for the 2008-2009 and 2009-2010 school years was \$153,000 and \$197,000, respectively.

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$370,766.

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

SPENCER-OWEN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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.

The School Corporation's contributions to the plan during the period were \$835,404.

SPENCER-OWEN COMMUNITY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

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)
07-01-07	\$ 2,996,772	\$ 2,823,784	\$ 172,988	106%	\$ 2,713,145	6%
07-01-08	3,330,899	3,205,008	125,891	104%	2,808,589	4%
07-01-09	2,637,964	3,255,400	(617,436)	81%	3,136,847	(20%)

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Special Education Preschool	School Lunch	Textbook Rental	K-Day Program	Educational License Plates
Receipts:					
Local sources	\$ 59,802	\$ 494,458	\$ 187,112	\$ -	\$ -
Intermediate sources	-	-	-	52,441	450
State sources	162,088	9,169	99,643	-	-
Federal sources	-	490,842	-	-	-
Other	-	-	650	-	-
Total receipts	221,890	994,469	287,405	52,441	450
Disbursements:					
Current:					
Instruction	158,378	-	-	-	-
Support services	-	-	248,603	128	-
Noninstructional services	-	1,072,508	-	47,567	446
Debt services	-	-	-	-	-
Nonprogrammed charges	124,693	-	-	-	-
Total disbursements	283,071	1,072,508	248,603	47,695	446
Excess (deficiency) of receipts over disbursements	(61,181)	(78,039)	38,802	4,746	4
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(146)	-	-	-	-
Total other financing sources (uses)	(146)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(61,327)	(78,039)	38,802	4,746	4
Cash and investments - beginning	93,078	302,441	189,927	44,408	1,098
Cash and investments - ending	<u>\$ 31,751</u>	<u>\$ 224,402</u>	<u>\$ 228,729</u>	<u>\$ 49,154</u>	<u>\$ 1,102</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 31,751	\$ 224,402	\$ 228,729	\$ 49,154	\$ 1,102
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 31,751</u>	<u>\$ 224,402</u>	<u>\$ 228,729</u>	<u>\$ 49,154</u>	<u>\$ 1,102</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	31,751	224,402	228,729	49,154	1,102
Total cash and investment fund balance - ending	<u>\$ 31,751</u>	<u>\$ 224,402</u>	<u>\$ 228,729</u>	<u>\$ 49,154</u>	<u>\$ 1,102</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Alternative Education	State Farm/ Boston Scientific	Owen County Drug Free	Walmart Foundation	South Central Indiana REMC Membership Grant - PES	South Central Indiana REMC Membership Grant - OVMS
Receipts:						
Local sources	\$ 238	\$ -	\$ 2,000	\$ 1,250	\$ 1,900	\$ -
Intermediate sources	5,498	-	-	-	-	1,490
State sources	8,210	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	13,946	-	2,000	1,250	1,900	1,490
Disbursements:						
Current:						
Instruction	16,797	-	-	1,100	1,900	1,901
Support services	-	4,661	-	-	996	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	16,797	4,661	-	1,100	2,896	1,901
Excess (deficiency) of receipts over disbursements	(2,851)	(4,661)	2,000	150	(996)	(411)
Other financing sources (uses):						
Transfers in	-	-	1,741	-	-	698
Transfers out	-	-	-	-	-	(344)
Total other financing sources (uses)	-	-	1,741	-	-	354
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,851)	(4,661)	3,741	150	(996)	(57)
Cash and investments - beginning	5,927	5,792	-	473	1,098	1,400
Cash and investments - ending	<u>\$ 3,076</u>	<u>\$ 1,131</u>	<u>\$ 3,741</u>	<u>\$ 623</u>	<u>\$ 102</u>	<u>\$ 1,343</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 3,076	\$ 1,131	\$ 3,741	\$ 623	\$ 102	\$ 1,343
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,076</u>	<u>\$ 1,131</u>	<u>\$ 3,741</u>	<u>\$ 623</u>	<u>\$ 102</u>	<u>\$ 1,343</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>3,076</u>	<u>1,131</u>	<u>3,741</u>	<u>623</u>	<u>102</u>	<u>1,343</u>
Total cash and investment fund balance - ending	<u>\$ 3,076</u>	<u>\$ 1,131</u>	<u>\$ 3,741</u>	<u>\$ 623</u>	<u>\$ 102</u>	<u>\$ 1,343</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	NEEF Classroom Earth - OVHS	OVHS Printing	OVMS/HS Crash Club	OVHS Goat Farm	Owen County Community Foundation Grant	Owen County Community Foundation Health Services Fund
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	10,000	57	-	754	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	10,000	57	-	754	-	-
Disbursements:						
Current:						
Instruction	6,525	22	-	2,054	-	-
Support services	-	-	-	-	-	275
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	6,525	22	-	2,054	-	275
Excess (deficiency) of receipts over disbursements	3,475	35	-	(1,300)	-	(275)
Other financing sources (uses):						
Transfers in	-	344	-	5,071	-	-
Transfers out	-	-	(1,741)	(2,075)	-	-
Total other financing sources (uses)	-	344	(1,741)	2,996	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,475	379	(1,741)	1,696	-	(275)
Cash and investments - beginning	-	-	1,741	-	191	615
Cash and investments - ending	<u>\$ 3,475</u>	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ 1,696</u>	<u>\$ 191</u>	<u>\$ 340</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 3,475	\$ 379	\$ -	\$ 1,696	\$ 191	\$ 340
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,475</u>	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ 1,696</u>	<u>\$ 191</u>	<u>\$ 340</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,475	379	-	1,696	191	340
Total cash and investment fund balance - ending	<u>\$ 3,475</u>	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ 1,696</u>	<u>\$ 191</u>	<u>\$ 340</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Owen Valley High School	PES 21st Century Scholars	Local Coordinating Council Drug Free	After School Programs	Tivoli Project	Phoenix School Grant 2005
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -
Intermediate sources	12,133	500	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	12,133	500	-	100	-	-
Disbursements:						
Current:						
Instruction	9,579	-	-	1,152	-	-
Support services	40	500	-	100	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	9,619	500	-	1,252	-	-
Excess (deficiency) of receipts over disbursements	2,514	-	-	(1,152)	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(3,695)	-	-	-	-	-
Total other financing sources (uses)	(3,695)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,181)	-	-	(1,152)	-	-
Cash and investments - beginning	3,299	-	4,225	5,296	38	11,805
Cash and investments - ending	\$ 2,118	\$ -	\$ 4,225	\$ 4,144	\$ 38	\$ 11,805
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,118	\$ -	\$ 4,225	\$ 4,144	\$ 38	\$ 11,805
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,118	\$ -	\$ 4,225	\$ 4,144	\$ 38	\$ 11,805
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,118	-	4,225	4,144	38	11,805
Total cash and investment fund balance - ending	\$ 2,118	\$ -	\$ 4,225	\$ 4,144	\$ 38	\$ 11,805

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Welfare Activities Fund	Youth Serve America	Reimbursable Grants	Distance Learning	Boston Scientific - Science	Adult Basic Education
Receipts:						
Local sources	\$ -	\$ -	\$ 14,361	\$ -	\$ -	\$ -
Intermediate sources	291	-	-	-	4,775	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	291	-	14,361	-	4,775	-
Disbursements:						
Current:						
Instruction	-	980	-	-	775	-
Support services	79	40	14,594	165	4,916	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	79	1,020	14,594	165	5,691	-
Excess (deficiency) of receipts over disbursements	212	(1,020)	(233)	(165)	(916)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(37,893)
Total other financing sources (uses)	-	-	-	-	-	(37,893)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	212	(1,020)	(233)	(165)	(916)	(37,893)
Cash and investments - beginning	(212)	1,020	(1,055)	566	1,127	37,893
Cash and investments - ending	\$ -	\$ -	\$ (1,288)	\$ 401	\$ 211	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ (1,288)	\$ 401	\$ 211	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ (1,288)	\$ 401	\$ 211	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(1,288)	401	211	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (1,288)	\$ 401	\$ 211	\$ -

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Gifted/ Talented 2007/2008	Education Technology	Owen County Drug Free MS/HS	Afternoons R.O.C.K./ Safe Haven 2008	Day Camp - Purdue University	Afternoons R.O.C.K. SES
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 320	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	39,015	34,740	1,800	6,433	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	39,015	34,740	1,800	6,753	-	-
Disbursements:						
Current:						
Instruction	48,412	-	1,228	17,598	671	-
Support services	7,271	36,211	-	297	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	55,683	36,211	1,228	17,895	671	-
Excess (deficiency) of receipts over disbursements	(16,668)	(1,471)	572	(11,142)	(671)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	3,766
Transfers out	-	-	-	(3,766)	-	-
Total other financing sources (uses)	-	-	-	(3,766)	-	3,766
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,668)	(1,471)	572	(14,908)	(671)	3,766
Cash and investments - beginning	16,668	1,471	582	20,441	3,640	-
Cash and investments - ending	\$ -	\$ -	\$ 1,154	\$ 5,533	\$ 2,969	\$ 3,766
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 1,154	\$ 5,533	\$ 2,969	\$ 3,766
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 1,154	\$ 5,533	\$ 2,969	\$ 3,766
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	1,154	5,533	2,969	3,766
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 1,154	\$ 5,533	\$ 2,969	\$ 3,766

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Afternoons R.O.C.K. MCES 2008/2009	Afternoons R.O.C.K. SES 2008/2009	Afternoons R.O.C.K. SES 2005/2006	Non-English Speaking	Junior Air Force ROTC - OVHS	Title I/ School Improvement
Receipts:						
Local sources	\$ -	\$ -	\$ 883	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	28,800	10,950	-	-	-	-
Federal sources	-	-	-	-	-	79,000
Other	-	-	-	-	-	-
Total receipts	28,800	10,950	883	-	-	79,000
Disbursements:						
Current:						
Instruction	14,411	9,201	1,481	-	-	75,489
Support services	-	-	-	-	6,280	50,881
Noninstructional services	-	-	-	-	-	1,452
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	14,411	9,201	1,481	-	6,280	127,822
Excess (deficiency) of receipts over disbursements	14,389	1,749	(598)	-	(6,280)	(48,822)
Other financing sources (uses):						
Transfers in	-	-	-	359	-	-
Transfers out	-	-	-	(359)	-	(58,321)
Total other financing sources (uses)	-	-	-	-	-	(58,321)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,389	1,749	(598)	-	(6,280)	(107,143)
Cash and investments - beginning	-	-	34,471	360	6,280	132,685
Cash and investments - ending	14,389	1,749	33,873	360	-	25,542
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 14,389	\$ 1,749	\$ 33,873	\$ 360	\$ -	\$ 25,542
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	14,389	1,749	33,873	360	-	25,542
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	14,389	1,749	33,873	360	-	25,542
Total cash and investment fund balance - ending	14,389	1,749	33,873	360	-	25,542

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title I 2008/2009	Title V Part A 2007/2008	Title V Part A 2006/2007	Learn & Serve 2006/2007	Outreach Jail Grant 2007/2008/ Adult Basic Education 2006/2007
Receipts:					
Local sources	\$ -	\$ 321	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	26,110
Federal sources	543,818	-	1,959	21,500	-
Other	-	-	-	-	-
Total receipts	<u>543,818</u>	<u>321</u>	<u>1,959</u>	<u>21,500</u>	<u>26,110</u>
Disbursements:					
Current:					
Instruction	371,382	-	-	-	26,282
Support services	52,969	-	-	1,000	3,681
Noninstructional services	7,265	-	-	19,187	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>431,616</u>	<u>-</u>	<u>-</u>	<u>20,187</u>	<u>29,963</u>
Excess (deficiency) of receipts over disbursements	<u>112,202</u>	<u>321</u>	<u>1,959</u>	<u>1,313</u>	<u>(3,853)</u>
Other financing sources (uses):					
Transfers in	58,321	-	-	-	57,238
Transfers out	-	(169)	-	-	(19,344)
Total other financing sources (uses)	<u>58,321</u>	<u>(169)</u>	<u>-</u>	<u>-</u>	<u>37,894</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	170,523	152	1,959	1,313	34,041
Cash and investments - beginning	-	(152)	-	7,180	1,648
Cash and investments - ending	<u>\$ 170,523</u>	<u>\$ -</u>	<u>\$ 1,959</u>	<u>\$ 8,493</u>	<u>\$ 35,689</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 170,523	\$ -	\$ 1,959	\$ 8,493	\$ 35,689
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 170,523</u>	<u>\$ -</u>	<u>\$ 1,959</u>	<u>\$ 8,493</u>	<u>\$ 35,689</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	170,523	-	1,959	8,493	35,689
Total cash and investment fund balance - ending	<u>\$ 170,523</u>	<u>\$ -</u>	<u>\$ 1,959</u>	<u>\$ 8,493</u>	<u>\$ 35,689</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title IV Part A 2007/2008	Title IV Part A 2008/2009	Title IV Part A 2006/2007	Tech Prep Career Majors 2007/2008	Medicaid Reimbursement Federal
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	29,434	-
Federal sources	-	9,058	-	-	1,785
Other	-	-	-	-	-
	<u>-</u>	<u>9,058</u>	<u>-</u>	<u>29,434</u>	<u>1,785</u>
Total receipts					
Disbursements:					
Current:					
Instruction	-	-	-	17,267	-
Support services	7,566	3,551	3,586	2,500	84
Noninstructional services	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
	<u>7,566</u>	<u>3,551</u>	<u>3,586</u>	<u>19,767</u>	<u>84</u>
Total disbursements					
Excess (deficiency) of receipts over disbursements	<u>(7,566)</u>	<u>5,507</u>	<u>(3,586)</u>	<u>9,667</u>	<u>1,701</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(7,566)</u>	<u>5,507</u>	<u>(3,586)</u>	<u>9,667</u>	<u>1,701</u>
Cash and investments - beginning	<u>7,566</u>	<u>-</u>	<u>3,586</u>	<u>(10,668)</u>	<u>995</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 5,507</u>	<u>\$ -</u>	<u>\$ (1,001)</u>	<u>\$ 2,696</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 5,507	\$ -	\$ (1,001)	\$ 2,696
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 5,507</u>	<u>\$ -</u>	<u>\$ (1,001)</u>	<u>\$ 2,696</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,507	-	(1,001)	2,696
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 5,507</u>	<u>\$ -</u>	<u>\$ (1,001)</u>	<u>\$ 2,696</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title II 2007/2008	Reading First	Fiscal Stabilization - Education	Retirement/ Severance Bond Debt Fund	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 428,787	\$ 125,697	\$ 1,317,229
Intermediate sources	-	-	-	-	-	88,389
State sources	-	-	-	-	-	456,392
Federal sources	160,616	298,951	1,580,495	-	-	3,188,024
Other	-	-	-	-	-	650
Total receipts	<u>160,616</u>	<u>298,951</u>	<u>1,580,495</u>	<u>428,787</u>	<u>125,697</u>	<u>5,050,684</u>
Disbursements:						
Current:						
Instruction	135,554	287,913	1,186,852	-	-	2,394,904
Support services	5,511	14,560	393,643	-	29,935	894,623
Noninstructional services	-	-	-	-	-	1,148,425
Debt services	-	-	-	254,481	-	254,481
Nonprogrammed charges	950	16,949	-	-	-	142,592
Total disbursements	<u>142,015</u>	<u>319,422</u>	<u>1,580,495</u>	<u>254,481</u>	<u>29,935</u>	<u>4,835,025</u>
Excess (deficiency) of receipts over disbursements	<u>18,601</u>	<u>(20,471)</u>	<u>-</u>	<u>174,306</u>	<u>95,762</u>	<u>215,659</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	2,538	130,076
Transfers out	-	-	-	(30,706)	-	(158,559)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,706)</u>	<u>2,538</u>	<u>(28,483)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>18,601</u>	<u>(20,471)</u>	<u>-</u>	<u>143,600</u>	<u>98,300</u>	<u>187,176</u>
Cash and investments - beginning	<u>78,202</u>	<u>35,508</u>	<u>-</u>	<u>-</u>	<u>42,179</u>	<u>1,094,833</u>
Cash and investments - ending	<u>\$ 96,803</u>	<u>\$ 15,037</u>	<u>\$ -</u>	<u>\$ 143,600</u>	<u>\$ 140,479</u>	<u>\$ 1,282,009</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 96,803	\$ 15,037	\$ -	\$ -	\$ 140,479	\$ 1,138,409
Restricted assets:						
Cash and investments	-	-	-	143,600	-	143,600
Total cash and investment assets - ending	<u>\$ 96,803</u>	<u>\$ 15,037</u>	<u>\$ -</u>	<u>\$ 143,600</u>	<u>\$ 140,479</u>	<u>\$ 1,282,009</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 143,600	\$ -	\$ 143,600
Unrestricted	96,803	15,037	-	-	140,479	1,138,409
Total cash and investment fund balance - ending	<u>\$ 96,803</u>	<u>\$ 15,037</u>	<u>\$ -</u>	<u>\$ 143,600</u>	<u>\$ 140,479</u>	<u>\$ 1,282,009</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	K-Day Program	Educational License Plates	Alternative Education
Receipts:							
Local sources	\$ 35,634	\$ 456,843	\$ 188,065	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	73,943	-	-
State sources	85,250	8,633	94,298	-	-	-	3,289
Federal sources	-	653,035	-	-	-	-	-
Other	-	-	350	-	160	-	-
Total receipts	120,884	1,118,511	282,713	-	74,103	-	3,289
Disbursements:							
Current:							
Instruction	71,390	-	-	-	-	-	2,313
Support services	-	-	290,373	-	128	-	-
Noninstructional services	-	1,025,189	-	-	59,961	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	11,577	-	-	-	-	-	-
Total disbursements	82,967	1,025,189	290,373	-	60,089	-	2,313
Excess (deficiency) of receipts over disbursements	37,917	93,322	(7,660)	-	14,014	-	976
Other financing sources (uses):							
Transfers in	-	-	-	333,067	-	-	-
Transfers out	(69,668)	-	-	-	-	-	-
Total other financing sources (uses)	(69,668)	-	-	333,067	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,751)	93,322	(7,660)	333,067	14,014	-	976
Cash and investments - beginning	31,751	224,402	228,729	-	49,154	1,102	3,076
Cash and investments - ending	\$ -	\$ 317,724	\$ 221,069	\$ 333,067	\$ 63,168	\$ 1,102	\$ 4,052
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 317,724	\$ 221,069	\$ 333,067	\$ 63,168	\$ 1,102	\$ 4,052
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 317,724	\$ 221,069	\$ 333,067	\$ 63,168	\$ 1,102	\$ 4,052
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	317,724	221,069	333,067	63,168	1,102	4,052
Total cash and investment fund balance - ending	\$ -	\$ 317,724	\$ 221,069	\$ 333,067	\$ 63,168	\$ 1,102	\$ 4,052

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	State Farm/ Boston Scientific	Library Donations	Walmart Foundation	South Central Indiana REMC Membership Grant - PES	South Central Indiana REMC Membership Grant - OVMS	NEEF Classroom Earth - OVHS
Receipts:						
Local sources	\$ -	\$ 750	\$ 2,250	\$ -	\$ -	\$ -
Intermediate sources	5,425	-	-	-	250	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	5,425	750	2,250	-	250	-
Disbursements:						
Current:						
Instruction	-	-	2,184	-	1,593	-
Support services	2,000	-	-	-	-	3,475
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,000	-	2,184	-	1,593	3,475
Excess (deficiency) of receipts over disbursements	3,425	750	66	-	(1,343)	(3,475)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,425	750	66	-	(1,343)	(3,475)
Cash and investments - beginning	1,131	-	623	102	1,343	3,475
Cash and investments - ending	4,556	750	689	102	-	-
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 4,556	\$ 750	\$ 689	\$ 102	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	4,556	750	689	102	-	-
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,556	750	689	102	-	-
Total cash and investment fund balance - ending	4,556	750	689	102	-	-

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	OVHS Printing	OVHS Goat Farm	IU Veteran's History Grant	Owen County Community Foundation Grant	Living to Serve OVHS FFA	Owen County Drug Free
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	484	4,015	1,000	-	8,161	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	484	4,015	1,000	-	8,161	-
Disbursements:						
Current:						
Instruction	166	3,496	998	-	1,063	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	2,736
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	166	3,496	998	-	1,063	2,736
Excess (deficiency) of receipts over disbursements	318	519	2	-	7,098	(2,736)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	318	519	2	-	7,098	(2,736)
Cash and investments - beginning	379	1,696	-	191	-	3,741
Cash and investments - ending	697	2,215	2	191	7,098	1,005
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 697	\$ 2,215	\$ 2	\$ 191	\$ 7,098	\$ 1,005
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	697	2,215	2	191	7,098	1,005
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	697	2,215	2	191	7,098	1,005
Total cash and investment fund balance - ending	697	2,215	2	191	7,098	1,005

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Owen County Community Foundation Health Services Fund	Project Ignition Owen Valley High School	Local Coordinating Council Drug Free	After School Programs	Tivoli Project	Phoenix School Grant 2005
Receipts:						
Local sources	\$ -	\$ -	\$ 489	\$ -	\$ -	\$ -
Intermediate sources	-	10,000	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	10,000	489	-	-	-
Disbursements:						
Current:						
Instruction	-	10,358	-	355	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	489	-	-	6,037
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	10,358	489	355	-	6,037
Excess (deficiency) of receipts over disbursements	-	(358)	-	(355)	-	(6,037)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(358)	-	(355)	-	(6,037)
Cash and investments - beginning	340	2,118	4,225	4,144	38	11,805
Cash and investments - ending	<u>\$ 340</u>	<u>\$ 1,760</u>	<u>\$ 4,225</u>	<u>\$ 3,789</u>	<u>\$ 38</u>	<u>\$ 5,768</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 340	\$ 1,760	\$ 4,225	\$ 3,789	\$ 38	\$ 5,768
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 340</u>	<u>\$ 1,760</u>	<u>\$ 4,225</u>	<u>\$ 3,789</u>	<u>\$ 38</u>	<u>\$ 5,768</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	340	1,760	4,225	3,789	38	5,768
Total cash and investment fund balance - ending	<u>\$ 340</u>	<u>\$ 1,760</u>	<u>\$ 4,225</u>	<u>\$ 3,789</u>	<u>\$ 38</u>	<u>\$ 5,768</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Reimbursable Grants	Distance Learning	Boston Scientific - Science	Boston Scientific - Library	Gifted/ Talented 2009/2010	Owen County Drug Free MS/HS
Receipts:						
Local sources	\$ 17,769	\$ -	\$ -	\$ -	\$ 100	\$ -
Intermediate sources	-	-	1,045	3,700	-	-
State sources	-	-	-	-	37,917	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	17,769	-	1,045	3,700	38,017	-
Disbursements:						
Current:						
Instruction	5,400	-	1,041	-	36,878	446
Support services	14,366	401	-	2,636	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	19,766	401	1,041	2,636	36,878	446
Excess (deficiency) of receipts over disbursements	(1,997)	(401)	4	1,064	1,139	(446)
Other financing sources (uses):						
Transfers in	2,386	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	2,386	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	389	(401)	4	1,064	1,139	(446)
Cash and investments - beginning	(1,288)	401	211	-	-	1,154
Cash and investments - ending	(899)	-	215	1,064	1,139	708
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (899)	\$ -	\$ 215	\$ 1,064	\$ 1,139	\$ 708
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	(899)	-	215	1,064	1,139	708
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(899)	-	215	1,064	1,139	708
Total cash and investment fund balance - ending	(899)	-	215	1,064	1,139	708

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Afternoons R.O.C.K./ Safe Haven 2008	Afternoons R.O.C.K./ MCES 2009/2010	Day Camp - Purdue University	Afternoons R.O.C.K. SES	Afternoons R.O.C.K. MCES 2008/2009	Afternoons R.O.C.K. SES 2008/2009
Receipts:						
Local sources	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	17,979	21,440	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>18,384</u>	<u>21,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	6,859	8,210	2,160	342	14,389	1,749
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>6,859</u>	<u>8,210</u>	<u>2,160</u>	<u>342</u>	<u>14,389</u>	<u>1,749</u>
Excess (deficiency) of receipts over disbursements	<u>11,525</u>	<u>13,230</u>	<u>(2,160)</u>	<u>(342)</u>	<u>(14,389)</u>	<u>(1,749)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>11,525</u>	<u>13,230</u>	<u>(2,160)</u>	<u>(342)</u>	<u>(14,389)</u>	<u>(1,749)</u>
Cash and investments - beginning	<u>5,533</u>	<u>-</u>	<u>2,969</u>	<u>3,766</u>	<u>14,389</u>	<u>1,749</u>
Cash and investments - ending	<u>\$ 17,058</u>	<u>\$ 13,230</u>	<u>\$ 809</u>	<u>\$ 3,424</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 17,058	\$ 13,230	\$ 809	\$ 3,424	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 17,058</u>	<u>\$ 13,230</u>	<u>\$ 809</u>	<u>\$ 3,424</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	17,058	13,230	809	3,424	-	-
Total cash and investment fund balance - ending	<u>\$ 17,058</u>	<u>\$ 13,230</u>	<u>\$ 809</u>	<u>\$ 3,424</u>	<u>\$ -</u>	<u>\$ -</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	After School Programs/ Afternoons R.O.C.K. SES 2005/2006	Non-English Speaking Programs	Excess PTRC Distribution Fund	Title I/ School Improvement	Title I 2009/2010	Title I School Improvement PES 2009/2010
Receipts:						
Local sources	\$ 1,026	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	15,930	-	-	-	-	-
Federal sources	-	-	-	16,000	610,546	131,230
Other	-	-	-	-	-	-
Total receipts	16,956	-	-	16,000	610,546	131,230
Disbursements:						
Current:						
Instruction	14,809	42	-	10,317	476,623	-
Support services	-	-	-	31,225	78,193	87,361
Noninstructional services	-	-	-	-	2,343	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	14,809	42	-	41,542	557,159	87,361
Excess (deficiency) of receipts over disbursements	2,147	(42)	-	(25,542)	53,387	43,869
Other financing sources (uses):						
Transfers in	-	-	34,773	-	83,700	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	34,773	-	83,700	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,147	(42)	34,773	(25,542)	137,087	43,869
Cash and investments - beginning	33,873	360	-	25,542	-	-
Cash and investments - ending	\$ 36,020	\$ 318	\$ 34,773	\$ -	\$ 137,087	\$ 43,869
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 36,020	\$ 318	\$ 34,773	\$ -	\$ 137,087	\$ 43,869
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 36,020	\$ 318	\$ 34,773	\$ -	\$ 137,087	\$ 43,869
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	36,020	318	34,773	-	137,087	43,869
Total cash and investment fund balance - ending	\$ 36,020	\$ 318	\$ 34,773	\$ -	\$ 137,087	\$ 43,869

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title I 2008/2009	Title V Part A 2006/2007	Serve America 2006/2007 2008/2009	Outreach Jail Grant 2007/2008/ Adult Basic Education 2006/2007	Title IV Part A 2008/2009	Title IV Part A 2009/2010
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	22,743	-	-
Federal sources	54,274	-	17,750	-	-	12,455
Other	-	-	-	-	-	-
Total receipts	54,274	-	17,750	22,743	-	12,455
Disbursements:						
Current:						
Instruction	46,494	-	-	21,461	-	-
Support services	93,090	1,959	1,000	993	5,507	7,640
Noninstructional services	1,513	-	23,249	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	141,097	1,959	24,249	22,454	5,507	7,640
Excess (deficiency) of receipts over disbursements	(86,823)	(1,959)	(6,499)	289	(5,507)	4,815
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(83,700)	-	-	-	-	-
Total other financing sources (uses)	(83,700)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(170,523)	(1,959)	(6,499)	289	(5,507)	4,815
Cash and investments - beginning	170,523	1,959	8,493	35,688	5,507	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,994</u>	<u>\$ 35,977</u>	<u>\$ -</u>	<u>\$ 4,815</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 1,994	\$ 35,977	\$ -	\$ 4,815
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,994</u>	<u>\$ 35,977</u>	<u>\$ -</u>	<u>\$ 4,815</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	1,994	35,977	-	4,815
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,994</u>	<u>\$ 35,977</u>	<u>\$ -</u>	<u>\$ 4,815</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Tech Prep Career Majors 2007/2008	Medicaid Reimbursement Federal	Title II 2007/2008 2008/2009	Title II 2009/2010	Reading First	Fiscal Stabilization - Education
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	12,255	-	-	-	-	-
Federal sources	-	34,890	-	109,479	24,621	593,317
Other	-	-	-	-	-	-
Total receipts	12,255	34,890	-	109,479	24,621	593,317
Disbursements:						
Current:						
Instruction	11,254	-	89,603	59,675	26,623	532,506
Support services	-	1,466	4,818	2,170	6,043	60,811
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	975	-	6,992	-
Total disbursements	11,254	1,466	95,396	61,845	39,658	593,317
Excess (deficiency) of receipts over disbursements	1,001	33,424	(95,396)	47,634	(15,037)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(5,489)	-	-	-	-
Total other financing sources (uses)	-	(5,489)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,001	27,935	(95,396)	47,634	(15,037)	-
Cash and investments - beginning	(1,001)	2,696	96,802	-	15,037	-
Cash and investments - ending	\$ -	\$ 30,631	\$ 1,406	\$ 47,634	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 30,631	\$ 1,406	\$ 47,634	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 30,631	\$ 1,406	\$ 47,634	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	30,631	1,406	47,634	-	-
Total cash and investment fund balance - ending	\$ -	\$ 30,631	\$ 1,406	\$ 47,634	\$ -	\$ -

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title I ARRA Stimulus 2009/2011	Education Technology Stimulus	School Lunch Equipment Stimulus	Retirement/ Severance Bond Debt Fund	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 277,761	\$ 105,153	\$ 1,086,245
Intermediate sources	-	-	-	-	-	108,023
State sources	-	-	-	-	-	319,734
Federal sources	190,132	189,379	15,000	-	-	2,652,108
Other	-	-	-	-	-	510
Total receipts	190,132	189,379	15,000	277,761	105,153	4,166,620
Disbursements:						
Current:						
Instruction	129,601	-	-	-	-	1,590,398
Support services	-	155,120	-	-	18,595	869,370
Noninstructional services	785	-	15,000	-	-	1,137,302
Debt services	-	-	-	249,351	-	249,351
Nonprogrammed charges	-	-	-	-	-	19,544
Total disbursements	130,386	155,120	15,000	249,351	18,595	3,865,965
Excess (deficiency) of receipts over disbursements	59,746	34,259	-	28,410	86,558	300,655
Other financing sources (uses):						
Transfers in	-	-	-	-	-	453,926
Transfers out	-	-	-	(10,624)	(187,381)	(356,862)
Total other financing sources (uses)	-	-	-	(10,624)	(187,381)	97,064
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	59,746	34,259	-	17,786	(100,823)	397,719
Cash and investments - beginning	-	-	-	143,600	140,479	1,282,007
Cash and investments - ending	\$ 59,746	\$ 34,259	\$ -	\$ 161,386	\$ 39,656	\$ 1,679,726
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 59,746	\$ 34,259	\$ -	\$ -	\$ 39,656	\$ 1,518,340
Restricted assets:						
Cash and investments	-	-	-	161,386	-	161,386
Total cash and investment assets - ending	\$ 59,746	\$ 34,259	\$ -	\$ 161,386	\$ 39,656	\$ 1,679,726
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 161,386	\$ -	\$ 161,386
Unrestricted	59,746	34,259	-	-	39,656	1,518,340
Total cash and investment fund balance - ending	\$ 59,746	\$ 34,259	\$ -	\$ 161,386	\$ 39,656	\$ 1,679,726

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Payroll Withholdings</u>	<u>Prepaid School Lunch</u>	<u>Totals</u>
Cash and investment fund balance - ending	<u>\$ 142,198</u>	<u>\$ 8,268</u>	<u>\$ 150,466</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	<u>Payroll Withholdings</u>	<u>Prepaid School Lunch</u>	<u>Totals</u>
Cash and investment fund balance - ending	<u>\$ 138,996</u>	<u>\$ 8,213</u>	<u>\$ 147,209</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

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	\$ 291,000
Land improvements	820,380
Buildings	56,940,574
Machinery and equipment	1,792,386
Transportation equipment	<u>1,067,456</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 60,911,796</u>

SPENCER-OWEN COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

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:		
Owen Valley High School Building Corporation Lease-Rental	\$ 5,915,000	\$ 533,823
Spencer-Owen Facility Improvement Corporation Lease-Rental	5,190,000	636,000
Johnson Controls Energy Management System	859,564	364,610
Johnson Controls Energy Management System	374,056	99,573
HVAC System	167,624	33,248
HVAC System	46,772	19,534
Spencer Elementary HVAC System	19,797	20,406
Notes and loans payable:		
Common school loans	18,622,289	1,847,035
Bonds payable:		
General obligation bonds:		
Taxable pension bonds	2,225,000	253,731
General obligation bonds of 2008	360,000	111,650
Total governmental activities debt	<u>\$ 33,780,102</u>	<u>\$ 3,919,610</u>

(This page intentionally left blank.)

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

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 SPENCER-OWEN COMMUNITY SCHOOLS, OWEN COUNTY, INDIANA

Compliance

We have audited the compliance of the Spencer-Owen Community Schools (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, 2009 and 2010. 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, 2009 and 2010.

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, 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

January 13, 2011

SPENCER-OWEN COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 08-09 FY 09-10	\$ 125,085 -	\$ - 137,038
Total for program			<u>125,085</u>	<u>137,038</u>
National School Lunch Program	10.555	FY 08-09 FY 09-10	489,948 -	- 535,439
Total for program			<u>489,948</u>	<u>535,439</u>
Total for cluster			<u>615,033</u>	<u>672,477</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	FY 09-10	-	15,000
Total for federal grantor agency			<u>615,033</u>	<u>687,477</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	08-6195 09-6195 10-6195	105,741 431,615 -	- 224,797 557,159
Total for program			<u>537,356</u>	<u>781,956</u>
ARRA - Title I Grants to Local Educational Agencies	84.389	10-6195	-	130,386
Total for cluster			<u>537,356</u>	<u>912,342</u>
Educational Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386		-	155,120
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394		1,580,495	593,317
Adult Education - Basic Grants to States				
	84.002	FY08 FY09	47,658 -	- 22,454
Total for program			<u>47,658</u>	<u>22,454</u>
Career and Technical Education - Basic Grants to States	84.048	08-1303-6195	200	-
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	07-6195 08-6195 09-6195	7,565 3,551 -	- 5,507 7,640
Total for program			<u>11,116</u>	<u>13,147</u>

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

SPENCER-OWEN COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243			
		TP-7-75	14,362	-
		SPL BIO-6-75	5,204	11,255
Total for program			<u>19,566</u>	<u>11,255</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		06-6195	-	1,959
		07-6195	169	-
Total for program			<u>169</u>	<u>1,959</u>
Reading First State Grants	84.357			
		FY08	173,306	-
		FY09	146,116	39,658
Total for program			<u>319,422</u>	<u>39,658</u>
Improving Teacher Quality State Grants	84.367			
		06-6195	800	-
		07-6195	76,604	799
		08-6195	64,611	94,598
		09-6195	-	61,844
Total for program			<u>142,015</u>	<u>157,241</u>
School Improvement Grants Cluster School Improvement Grants	84.377			
		FY 07-08	71,944	-
		FY 08-09	8,458	41,542
		FY 09-10	-	87,361
Total for program			<u>80,402</u>	<u>128,903</u>
Total for federal grantor agency			<u>2,738,399</u>	<u>2,035,396</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004			
		FY08	7,180	-
		FY09	13,007	24,249
Total for federal grantor agency			<u>20,187</u>	<u>24,249</u>
Total federal awards expended			<u>\$ 3,373,619</u>	<u>\$ 2,747,122</u>

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

SPENCER-OWEN COMMUNITY SCHOOLS
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 Spencer-Owen Community Schools (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with 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, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
Child Nutrition Cluster		\$ 63,082	\$ 61,457

SPENCER-OWEN COMMUNITY SCHOOLS
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:

CFDA Number	Name of Federal Program or Cluster
84.357	Title I, Part A Cluster State Fiscal Stabilization Fund Cluster Reading First State Grants

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

Auditee qualified as low-risk auditee?	no
--	----

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SPENCER-OWEN COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SPENCER-OWEN COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 13, 2011, with Greg Linton, Superintendent of Schools; Darla Thomas, Treasurer; and Evelyn Hamilton, former Treasurer. Our audit disclosed no material items that warrant comment at this time.