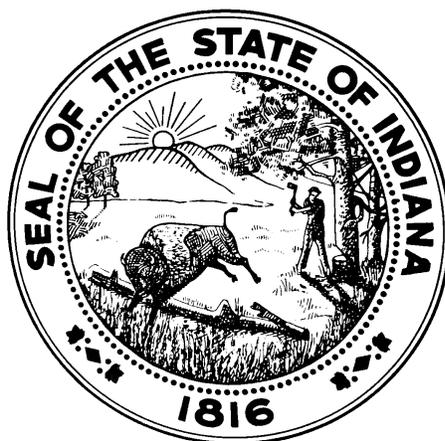


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
MARION COMMUNITY SCHOOLS
GRANT COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
03/31/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Paul G. Gabriel	07-01-05 to 08-14-06
	Sandra K. London	08-15-06 to 11-28-06
	Deanna R. Fitzjarrald (Interim)	11-29-06 to 03-04-07
	Mary Jane Bartrom	03-05-07 to 10-19-07
	Patricia J. Nauman (Interim)	10-20-07 to 11-11-07
	Charles A. Blake	11-12-07 to 12-31-08
Superintendent of Schools	Dr. Andrew M. Nixon	07-01-05 to 06-30-07
	Dr. Therese A. Howe (Interim)	07-01-07 to 07-11-07
	Dr. Jeffrey A. Hendrix	07-12-07 to 06-30-08
President of the School Board	Kristine A. Hess, M.D.	01-01-05 to 12-31-05
	Kyle C. Persinger	01-01-06 to 12-31-07
	Kristine A. Hess, M.D.	01-01-08 to 12-31-08



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AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF MARION COMMUNITY SCHOOLS, GRANT COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion Community Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 19, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

February 19, 2008



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

TO: THE OFFICIALS OF MARION COMMUNITY SCHOOLS, GRANT COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion Community Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 19, 2008. 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.

We noted certain matters that we reported to management in a separate letter dated February 19, 2008.

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

February 19, 2008

MARION COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 20,422,121	\$ -	\$ 884,346	\$ (19,537,775)
Support services	32,147,490	645,194	1,461,273	(30,041,023)
Community services	531,973	-	-	(531,973)
Nonprogrammed charges	866,096	-	-	(866,096)
Debt service	16,093,405	-	-	(16,093,405)
	<u>\$ 70,061,085</u>	<u>\$ 645,194</u>	<u>\$ 2,345,619</u>	<u>(67,070,272)</u>
General receipts:				
Property taxes				29,016,816
Other local sources				4,010,131
State aid				27,253,309
Bonds and loans				2,478,131
Grants and contributions not restricted to specific programs				4,932,600
Sale of property, adjustments, and refunds				1,473,026
Investment earnings				537,063
				<u>69,701,076</u>
Total general receipts				<u>69,701,076</u>
Change in net assets				2,630,804
Net assets - beginning				<u>11,759,688</u>
Net assets - ending				<u>\$ 14,390,492</u>
<u>Assets</u>				
Cash and investments				\$ 13,195,872
Restricted assets:				
Cash and investments				<u>1,194,620</u>
Total assets				<u>\$ 14,390,492</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 165,833
Other purposes				1,028,787
Unrestricted				<u>13,195,872</u>
Total net assets				<u>\$ 14,390,492</u>

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

MARION COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 19,611,146	\$ -	\$ 766,476	\$ (18,844,670)
Support services	33,155,982	547,735	1,614,001	(30,994,246)
Community services	514,291	-	-	(514,291)
Nonprogrammed charges	360,814	-	-	(360,814)
Debt service	<u>3,850,363</u>	<u>-</u>	<u>-</u>	<u>(3,850,363)</u>
Total governmental activities	<u>\$ 57,492,596</u>	<u>\$ 547,735</u>	<u>\$ 2,380,477</u>	<u>(54,564,384)</u>
General receipts:				
Property taxes				11,802,537
Other local sources				2,068,422
State aid				25,726,379
Bonds and loans				4,506,528
Grants and contributions not restricted to specific programs				5,214,203
Sale of property, adjustments, and refunds				210,366
Investment earnings				<u>685,179</u>
Total general receipts				<u>50,213,614</u>
Change in net assets				(4,350,770)
Net assets - beginning				<u>14,390,492</u>
Net assets - ending				<u>\$ 10,039,722</u>
<u>Assets</u>				
Cash and investments				\$ 9,147,750
Restricted assets:				
Cash and investments				<u>891,972</u>
Total assets				<u>\$ 10,039,722</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 473,010
Other purposes				418,962
Unrestricted				<u>9,147,750</u>
Total net assets				<u>\$ 10,039,722</u>

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

MARION 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, 2006

	General	Transportation Operating	Food Service	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 22,468,362	\$ 2,599,513	\$ 490,324	\$ 2,170,128	\$ 3,551,216	\$ 444,246	\$ 2,401,300	\$ 34,125,089
Intermediate sources	302	-	-	-	-	-	-	302
State sources	28,113,703	-	20,593	-	-	-	697,445	28,831,741
Federal sources	54,547	-	1,208,428	-	-	-	4,488,036	5,751,011
Bonds and loans	2,035,440	442,691	-	-	-	-	-	2,478,131
Sale of property, adjustments and refunds	83,322	904	5,979	-	1,346,510	-	36,311	1,473,026
Total receipts	52,755,676	3,043,108	1,725,324	2,170,128	4,897,726	444,246	7,623,092	72,659,300
Disbursements:								
Current:								
Instruction	17,546,036	-	-	-	-	-	2,876,085	20,422,121
Support services	23,124,721	1,637,703	1,596,738	-	2,710,531	296,385	3,225,790	32,591,868
Community services	483,821	-	-	-	-	-	48,152	531,973
Nonprogrammed charges	199,612	-	-	-	-	-	666,484	866,096
Debt services	10,253,651	1,199,654	-	2,062,982	-	-	2,577,118	16,093,405
Total disbursements	51,607,841	2,837,357	1,596,738	2,062,982	2,710,531	296,385	9,393,629	70,505,463
Excess (deficiency) of receipts over disbursements	1,147,835	205,751	128,586	107,146	2,187,195	147,861	(1,770,537)	2,153,837
Other financing sources (uses):								
Transfers in	38,527	-	-	-	-	-	846,518	885,045
Transfers out	(453,500)	(54,217)	-	(39,393)	(73,891)	(10,154)	(253,890)	(885,045)
Total other financing sources (uses)	(414,973)	(54,217)	-	(39,393)	(73,891)	(10,154)	592,628	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	732,862	151,534	128,586	67,753	2,113,304	137,707	(1,177,909)	2,153,837
Cash and investments - beginning	4,443,197	589,072	873,115	115,148	774,519	19,498	4,393,319	11,207,868
Cash and investments - ending	\$ 5,176,059	\$ 740,606	\$ 1,001,701	\$ 182,901	\$ 2,887,823	\$ 157,205	\$ 3,215,410	13,361,705
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								1,028,787
Net assets of governmental activities								\$ 14,390,492
Cash and Investment Assets - Ending								
Cash and investments	\$ 5,176,059	\$ 740,606	\$ 1,001,701	\$ -	\$ 2,887,823	\$ 157,205	\$ 3,232,478	\$ 13,195,872
Restricted assets:								
Cash and investments	-	-	-	182,901	-	-	(17,068)	165,833
Total cash and investment assets - ending	\$ 5,176,059	\$ 740,606	\$ 1,001,701	\$ 182,901	\$ 2,887,823	\$ 157,205	\$ 3,215,410	\$ 13,361,705
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 182,901	\$ -	\$ -	\$ (17,068)	\$ 165,833
Unrestricted	5,176,059	740,606	1,001,701	-	2,887,823	157,205	3,232,478	13,195,872
Total cash and investment fund balance - ending	\$ 5,176,059	\$ 740,606	\$ 1,001,701	\$ 182,901	\$ 2,887,823	\$ 157,205	\$ 3,215,410	\$ 13,361,705

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

MARION 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, 2007

	General	Transportation Operating	Food Service	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 9,853,677	\$ 1,140,789	\$ 403,184	\$ 915,442	\$ 1,523,081	\$ 155,545	\$ 1,041,468	\$ 15,033,186
Intermediate sources	302	-	-	-	-	-	1,868	2,170
State sources	26,539,234	-	17,298	-	-	-	653,329	27,209,861
Federal sources	36,452	-	1,438,843	-	-	-	4,666,230	6,141,525
Bonds and loans	3,870,838	635,690	-	-	-	-	-	4,506,528
Sale of property, adjustments and refunds	173,733	455	14,569	-	11,269	-	10,340	210,366
Total receipts	40,474,236	1,776,934	1,873,894	915,442	1,534,350	155,545	6,373,235	53,103,636
Disbursements:								
Current:								
Instruction	16,748,060	-	-	-	-	-	2,863,086	19,611,146
Support services	20,422,931	1,773,238	1,659,794	-	4,622,988	229,773	3,799,243	32,507,967
Community services	466,991	-	-	-	-	-	47,300	514,291
Nonprogrammed charges	157,600	-	-	-	-	-	203,214	360,814
Debt services	2,099,041	442,691	-	667,333	-	-	641,298	3,850,363
Total disbursements	39,894,623	2,215,929	1,659,794	667,333	4,622,988	229,773	7,554,141	56,844,581
Excess (deficiency) of receipts over disbursements	579,613	(438,995)	214,100	248,109	(3,088,638)	(74,228)	(1,180,906)	(3,740,945)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	153,363	153,363
Transfers out	(40,225)	(4,821)	-	(69,832)	(7,051)	(720)	(30,714)	(153,363)
Total other financing sources (uses)	(40,225)	(4,821)	-	(69,832)	(7,051)	(720)	122,649	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	539,388	(443,816)	214,100	178,277	(3,095,689)	(74,948)	(1,058,257)	(3,740,945)
Cash and investments - beginning	5,176,059	740,606	1,001,701	182,901	2,887,823	157,205	3,215,410	13,361,705
Cash and investments - ending	<u>\$ 5,715,447</u>	<u>\$ 296,790</u>	<u>\$ 1,215,801</u>	<u>\$ 361,178</u>	<u>\$ (207,866)</u>	<u>\$ 82,257</u>	<u>\$ 2,157,153</u>	9,620,760
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								418,962
Net assets of governmental activities								<u>\$ 10,039,722</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 5,715,447	\$ 296,790	\$ 1,215,801	\$ -	\$ (207,866)	\$ 82,257	\$ 2,045,321	\$ 9,147,750
Restricted assets:								
Cash and investments	-	-	-	361,178	-	-	111,832	473,010
Total cash and investment assets - ending	<u>\$ 5,715,447</u>	<u>\$ 296,790</u>	<u>\$ 1,215,801</u>	<u>\$ 361,178</u>	<u>\$ (207,866)</u>	<u>\$ 82,257</u>	<u>\$ 2,157,153</u>	<u>\$ 9,620,760</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 361,178	\$ -	\$ -	\$ 111,832	\$ 473,010
Unrestricted	5,715,447	296,790	1,215,801	-	(207,866)	82,257	2,045,321	9,147,750
Total cash and investment fund balance - ending	<u>\$ 5,715,447</u>	<u>\$ 296,790</u>	<u>\$ 1,215,801</u>	<u>\$ 361,178</u>	<u>\$ (207,866)</u>	<u>\$ 82,257</u>	<u>\$ 2,157,153</u>	<u>\$ 9,620,760</u>

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

MARION COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	Internal Service Fund
Operating receipts:	
Local sources	\$ 32,589
Sale of property, adjustments and refunds	<u>3,821,175</u>
Total operating receipts	<u>3,853,764</u>
Operating disbursements:	
Support services	<u>3,376,797</u>
Change in net assets	476,967
Cash and investment fund balance - beginning	<u>551,820</u>
Cash and investment fund balance - ending	<u>\$ 1,028,787</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,028,787</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,028,787</u>

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

MARION COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Local sources	\$ 38,190
Sale of property, adjustments and refunds	<u>2,861,030</u>
Total operating receipts	<u>2,899,220</u>
Operating disbursements:	
Support services	<u>3,509,045</u>
Change in net assets	(609,825)
Cash and investment fund balance - beginning	<u>1,028,787</u>
Cash and investment fund balance - ending	<u><u>\$ 418,962</u></u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 418,962</u></u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 418,962</u></u>

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

MARION COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 249,248	
Investment earnings:		
Interest	11,776	
Total additions	261,024	
Deductions:		
Administrative and general	197,185	
Excess of total additions over total deductions	63,839	
Cash and investment fund balance - beginning	103,372	
Cash and investment fund balance - ending	\$ 167,211	
Net assets:		
Cash and investments	\$ 167,211	\$ 436,412
Total net assets - cash and investment basis held in trust	\$ 167,211	\$ 436,412

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

MARION COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 12,611	
Investment earnings:		
Interest	6,611	
Total additions	19,222	
Deductions:		
Administrative and general	98,836	
Deficiency of total additions over total deductions	(79,614)	
Cash and investment fund balance - beginning	167,211	
Cash and investment fund balance - ending	\$ 87,597	
Net assets:		
Cash and investments	\$ 87,597	\$ 600,662
Total net assets - cash and investment basis held in trust	\$ 87,597	\$ 600,662

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

MARION 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 (primary government) is the financial reporting entity.

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 with Eastbrook Community School Corporation, Madison-Grant United School Corporation, Mississinewa Community School Corporation, and Oak Hill United School Corporation in a joint venture to operate the Grant County Special Services Cooperative (Co-op) which was created to provide instruction for children with special needs. The Co-op's continued existence depends on continued funding by the member school corporations. Complete financial statements for the Grant County Special Services Cooperative can be obtained from Mississinewa Community School Corporation, 424 East South A Street, Gas City, Indiana, 46933.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 school children to and from school.

The food service fund is used to account for receipts and disbursements of the school lunch and breakfast programs.

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.

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for financial resources of the School Corporation's self-insurance fund that provides medical benefits to certain employee groups.

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

Agency funds account for assets held by the School Corporation as an agent for federal and state revenue agencies 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, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

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

MARION 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. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were not distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at rates from 8 days to 12 days per year. Unused sick leave may be accumulated to a maximum of 65 days to 240 days. Unused sick leave is paid to the Superintendent upon termination. Accumulated sick leave is paid to all other employees only at retirement through cash payments equal to 30% of their accumulated unused sick leave, up to a maximum of 65 days or 100 days depending on classification.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate. Unused vacation leave is paid to employees through cash payments upon termination.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

c. Personal Leave

School Corporation employees earn personal leave at rates from 2 days to 4 days per year. Unused personal leave may be accumulated as unused sick leave.

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 liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

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."

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, 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.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund 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 reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

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 July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied 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.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	June 30, 2006	June 30, 2007
Education Technology Advancement	\$ 24,486	\$ 314,266
Head Start 2006	32,574	170,364
Head Start 2007	-	265,863
Retirement/Severance Bond Debt Service	17,068	-
Capital Projects	-	207,866
Career Majors	-	10,030
Title 1 Delinquent	-	32,895
IDEA Preschool 2007	-	24,101
Carl Perkins 2006	60,306	-
Carl Perkins 2007	-	18,346
Improving Teacher Quality 2006	-	71,314

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Policies

Indiana Code 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 should have a stated final maturity of one day.

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.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>For the Year Ended June 30, 2006</u>	<u>For the Year Ended June 30, 2007</u>
General Fund	Other governmental funds	\$ 453,500	\$ 40,225
Transportation Operating Fund	Other governmental funds	54,217	4,821
Debt Service Fund	Other governmental funds	39,393	69,832
Capital Projects Fund	Other governmental funds	73,891	7,051
School Bus Replacement Fund	Other governmental funds	10,154	720
Other governmental funds	General Fund	38,527	-
Other governmental funds	Other governmental funds	<u>215,363</u>	<u>30,714</u>
Totals		<u>\$ 885,045</u>	<u>\$ 153,363</u>

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

IV. Other Information

A. Risk Management

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

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, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Certified Teaching Staff

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to certified teaching staff. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into a capital lease with Marion 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. One semiannual lease payment of \$653,500 was made during the year ended June 30, 2007. The second semiannual lease payment of \$653,000 due June 30, 2007, was not paid until July 2, 2007.

The School Corporation has entered into a capital lease with Marion School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing, renovating, improving and equipping certain school facilities and leasing same to the School Corporation. The lessor has been determined to be a related party of the School Corporation. As of June 30, 2007, no lease payments had been scheduled.

C. Subsequent Events

On December 11, 2007, the Marion School Building Corporation issued bonds in the amount of \$2,000,000 for the funding of a roofing project at Marion High School. The bonds are to be retired from lease payments from the School Corporation.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health, dental and life insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after meeting the minimum requirements to become eligible to receive benefits from the Teachers Retirement Fund. Currently, 53 retirees meet these eligibility requirements. The School Corporation provides the required amount for each retiree beyond the fixed annual amount each retiree contributes for these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$496,581 were recognized for postemployment benefits.

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 337,096
Interest on net pension obligation	(48,729)
Adjustment to annual required contribution	55,531
Annual pension cost	343,898
Contributions made	389,257
Decrease in net pension obligation	(45,359)
Net pension obligation, beginning of year	(672,129)
Net pension obligation, end of year	\$ (717,488)

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 337,186	133%	\$ (593,116)
	06-30-05	346,907	123%	(672,129)
	06-30-06	343,898	113%	(717,488)

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

MARION COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$565,107, \$567,886, and \$548,296, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

MARION 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)
07-01-04	\$ 8,158,047	\$ 8,272,803	\$ (114,756)	99%	\$ 6,618,293	(2%)
07-01-05	8,495,784	8,575,446	(79,662)	99%	6,471,096	(1%)
07-01-06	8,234,313	7,805,201	429,112	105%	5,576,472	8%

MARION 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, 2006

	Special Education Preschool	Textbook Rental	Levy Excess	Special Education Co-op	Alternative Education	Early Intervention Lincoln	Early Intervention Southeast
Receipts:							
Local sources	\$ 49,456	\$ 153,840	\$ -	\$ 118,933	\$ -	\$ -	\$ -
State sources	155,089	139,528	-	-	79,682	500	90,279
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>204,545</u>	<u>293,368</u>	<u>-</u>	<u>118,933</u>	<u>79,682</u>	<u>500</u>	<u>90,279</u>
Disbursements:							
Current:							
Instruction	81,320	-	-	-	24,098	500	80,779
Support services	16,917	248,469	-	14,465	11,710	-	9,500
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	14,348	-	-	106,633	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>112,585</u>	<u>248,469</u>	<u>-</u>	<u>121,098</u>	<u>35,808</u>	<u>500</u>	<u>90,279</u>
Excess (deficiency) of receipts over disbursements	<u>91,960</u>	<u>44,899</u>	<u>-</u>	<u>(2,165)</u>	<u>43,874</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	674,582	-	-	-	-
Transfers out	(1,087)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,087)</u>	<u>-</u>	<u>674,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>90,873</u>	<u>44,899</u>	<u>674,582</u>	<u>(2,165)</u>	<u>43,874</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>(35,997)</u>	<u>46,210</u>	<u>-</u>	<u>2,165</u>	<u>28,067</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 54,876</u>	<u>\$ 91,109</u>	<u>\$ 674,582</u>	<u>\$ -</u>	<u>\$ 71,941</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 54,876	\$ 91,109	\$ 674,582	\$ -	\$ 71,941	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 54,876</u>	<u>\$ 91,109</u>	<u>\$ 674,582</u>	<u>\$ -</u>	<u>\$ 71,941</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	54,876	91,109	674,582	-	71,941	-	-
Total cash and investment fund balance - ending	<u>\$ 54,876</u>	<u>\$ 91,109</u>	<u>\$ 674,582</u>	<u>\$ -</u>	<u>\$ 71,941</u>	<u>\$ -</u>	<u>\$ -</u>

MARION 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, 2006
 (Continued)

	Local Retirement	Gifted and Talented 2005	Gifted and Talented 2006	Education Technology Advancement	Medicaid Reimbursement	Non-English Speaking 2006	Internet Access Technology
Receipts:							
Local sources	\$ 124,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	20,973	183,690	23,725	2,979	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	124,775	-	20,973	183,690	23,725	2,979	-
Disbursements:							
Current:							
Instruction	-	13,073	11,287	-	-	-	-
Support services	820,711	2,143	1,500	208,176	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	820,711	15,216	12,787	208,176	-	-	-
Excess (deficiency) of receipts over disbursements	(695,936)	(15,216)	8,186	(24,486)	23,725	2,979	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(30,373)	-	-
Total other financing sources (uses)	-	-	-	-	(30,373)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(695,936)	(15,216)	8,186	(24,486)	(6,648)	2,979	-
Cash and investments - beginning	1,818,837	15,216	-	-	7,900	-	17,552
Cash and investments - ending	<u>\$ 1,122,901</u>	<u>\$ -</u>	<u>\$ 8,186</u>	<u>\$ (24,486)</u>	<u>\$ 1,252</u>	<u>\$ 2,979</u>	<u>\$ 17,552</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,122,901	\$ -	\$ 8,186	\$ (24,486)	\$ 1,252	\$ 2,979	\$ 17,552
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,122,901</u>	<u>\$ -</u>	<u>\$ 8,186</u>	<u>\$ (24,486)</u>	<u>\$ 1,252</u>	<u>\$ 2,979</u>	<u>\$ 17,552</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,122,901	-	8,186	(24,486)	1,252	2,979	17,552
Total cash and investment fund balance - ending	<u>\$ 1,122,901</u>	<u>\$ -</u>	<u>\$ 8,186</u>	<u>\$ (24,486)</u>	<u>\$ 1,252</u>	<u>\$ 2,979</u>	<u>\$ 17,552</u>

MARION 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, 2006
 (Continued)

	Vision Athena McCulloch	CAPE Grant Tucker	Youth Tobacco McCulloch	CAPE Lift ESL	CAPE Lift Pow-wow	Safe Haven Time Away 2005	Title 1 Delinquent 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	1,000	-	-	-	-
Federal sources	-	-	-	-	-	-	30,114
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	1,000	-	-	-	30,114
Disbursements:							
Current:							
Instruction	-	-	1,000	11,041	10,478	4,734	27,114
Support services	-	-	-	782	264	-	3,000
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	1,000	11,823	10,742	4,734	30,114
Excess (deficiency) of receipts over disbursements	-	-	-	(11,823)	(10,742)	(4,734)	-
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	-	-	-	(11,823)	(10,742)	(4,734)	-
Cash and investments - beginning	1,452	4,145	-	12,663	13,816	16,069	-
Cash and investments - ending	<u>\$ 1,452</u>	<u>\$ 4,145</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 3,074</u>	<u>\$ 11,335</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,452	\$ 4,145	\$ -	\$ 840	\$ 3,074	\$ 11,335	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,452</u>	<u>\$ 4,145</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 3,074</u>	<u>\$ 11,335</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,452	4,145	-	840	3,074	11,335	-
Total cash and investment fund balance - ending	<u>\$ 1,452</u>	<u>\$ 4,145</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 3,074</u>	<u>\$ 11,335</u>	<u>\$ -</u>

MARION 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, 2006
 (Continued)

	Title 1 Delinquent 2007	Title 1 School Improvement 2005 Slocum	Title 1 06-2865	Title 1 05-2865	Title 1 School Improvement 2006 Slocum	Title 5 Innovative 03-214	Title 5 Innovative 04-217
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	1,331,862	147,000	70,883	-	21,847
Sale of property, adjustments and refunds	2,158	-	-	-	-	-	-
Total receipts	2,158	-	1,331,862	147,000	70,883	-	21,847
Disbursements:							
Current:							
Instruction	-	13,493	734,670	210,062	20,972	-	-
Support services	-	17,481	304,922	74,679	6,337	37,676	1,434
Community services	-	-	13,217	6,925	-	-	-
Nonprogrammed charges	-	-	-	48,089	-	1,810	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	30,974	1,052,809	339,755	27,309	39,486	1,434
Excess (deficiency) of receipts over disbursements	2,158	(30,974)	279,053	(192,755)	43,574	(39,486)	20,413
Other financing sources (uses):							
Transfers in	-	-	144,093	-	-	-	-
Transfers out	-	-	-	(144,093)	-	-	-
Total other financing sources (uses)	-	-	144,093	(144,093)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,158	(30,974)	423,146	(336,848)	43,574	(39,486)	20,413
Cash and investments - beginning	(2,158)	30,974	-	336,848	-	39,486	10,924
Cash and investments - ending	\$ -	\$ -	\$ 423,146	\$ -	\$ 43,574	\$ -	\$ 31,337
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 423,146	\$ -	\$ 43,574	\$ -	\$ 31,337
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 423,146	\$ -	\$ 43,574	\$ -	\$ 31,337
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	423,146	-	43,574	-	31,337
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 423,146	\$ -	\$ 43,574	\$ -	\$ 31,337

MARION 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, 2006
 (Continued)

	Title 1 Migrant FY00-07/RM22	Title 1 Migrant 2006	Stewart McKinney 2005	Stewart McKinney 2007	Stewart McKinney 2006	IDEA 2006	SLIVR IDEA 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	85,000	-	32,050	32,050	954,741	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	85,000	-	32,050	32,050	954,741	-
Disbursements:							
Current:							
Instruction	-	59,245	-	-	-	474,890	9,300
Support services	1,248	21,261	37,873	-	29,400	299,389	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,248	80,506	37,873	-	29,400	774,279	9,300
Excess (deficiency) of receipts over disbursements	(1,248)	4,494	(37,873)	32,050	2,650	180,462	(9,300)
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	(1,248)	4,494	(37,873)	32,050	2,650	180,462	(9,300)
Cash and investments - beginning	1,248	-	37,873	-	-	-	9,300
Cash and investments - ending	\$ -	\$ 4,494	\$ -	\$ 32,050	\$ 2,650	\$ 180,462	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 4,494	\$ -	\$ 32,050	\$ 2,650	\$ 180,462	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,494	\$ -	\$ 32,050	\$ 2,650	\$ 180,462	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,494	-	32,050	2,650	180,462	-
Total cash and investment fund balance - ending	\$ -	\$ 4,494	\$ -	\$ 32,050	\$ 2,650	\$ 180,462	\$ -

MARION 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, 2006
 (Continued)

	IDEA Carryover 2006	IDEA 2007	Title 3 Adult Basic Education 2005	Title 3 Adult Basic Education 2006	Drug Free Schools 2005	Drug Free Schools 2006	IDEA Preschool 2005
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	101,496	-	47,601	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	34,153
Total receipts	-	-	-	101,496	-	47,601	34,153
Disbursements:							
Current:							
Instruction	166,605	-	11,252	69,770	16,282	3,084	9,300
Support services	137,559	1,877	7,272	15,195	24,614	643	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	330,132	5,147	-	-	2,716	-	19,175
Debt services	-	-	-	-	-	-	-
Total disbursements	634,296	7,024	18,524	84,965	43,612	3,727	28,475
Excess (deficiency) of receipts over disbursements	(634,296)	(7,024)	(18,524)	16,531	(43,612)	43,874	5,678
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	(634,296)	(7,024)	(18,524)	16,531	(43,612)	43,874	5,678
Cash and investments - beginning	634,296	7,024	18,524	-	43,612	-	(5,678)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 16,531	\$ -	\$ 43,874	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ 16,531	\$ -	\$ 43,874	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 16,531	\$ -	\$ 43,874	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	16,531	-	43,874	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 16,531	\$ -	\$ 43,874	\$ -

MARION 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, 2006
 (Continued)

	IDEA Preschool 2006	Carl Perkins 2005	Carl Perkins 2006	Head Start 2005	Head Start T and TA 2005	Head Start Fatherhood 2005	Head Start 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	55,779	57,392	112,368	519,872	-	-	385,637
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	55,779	57,392	112,368	519,872	-	-	385,637
Disbursements:							
Current:							
Instruction	-	10,201	82,956	183,916	9,662	-	196,965
Support services	53,399	5,442	56,462	294,953	-	-	233,925
Community services	-	-	-	10,239	-	2,607	15,164
Nonprogrammed charges	-	15,375	33,256	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	53,399	31,018	172,674	489,108	9,662	2,607	446,054
Excess (deficiency) of receipts over disbursements	2,380	26,374	(60,306)	30,764	(9,662)	(2,607)	(60,417)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	27,843
Transfers out	-	-	-	(22,812)	(4,437)	(594)	-
Total other financing sources (uses)	-	-	-	(22,812)	(4,437)	(594)	27,843
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,380	26,374	(60,306)	7,952	(14,099)	(3,201)	(32,574)
Cash and investments - beginning	-	(26,374)	-	(7,952)	14,099	3,201	-
Cash and investments - ending	\$ 2,380	\$ -	\$ (60,306)	\$ -	\$ -	\$ -	\$ (32,574)
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,380	\$ -	\$ (60,306)	\$ -	\$ -	\$ -	\$ (32,574)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,380	\$ -	\$ (60,306)	\$ -	\$ -	\$ -	\$ (32,574)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,380	-	(60,306)	-	-	-	(32,574)
Total cash and investment fund balance - ending	\$ 2,380	\$ -	\$ (60,306)	\$ -	\$ -	\$ -	\$ (32,574)

MARION 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, 2006
 (Continued)

	Head Start T and TA 2006	Medicaid Reimbursement Federal	Pell Grant	Hurricane Displaced Students	TIP Grant 2005	School to Work Development 2004	Improving Teacher Quality 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	15,602	36,948	87,650	32,750	-	-	252,893
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	15,602	36,948	87,650	32,750	-	-	252,893
Disbursements:							
Current:							
Instruction	5,218	68,212	-	-	-	-	144,678
Support services	-	8,391	-	-	4,330	-	119,238
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	219	87,650	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	5,218	76,822	87,650	-	4,330	-	263,916
Excess (deficiency) of receipts over disbursements	10,384	(39,874)	-	32,750	(4,330)	-	(11,023)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(8,154)	-
Total other financing sources (uses)	-	-	-	-	-	(8,154)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,384	(39,874)	-	32,750	(4,330)	(8,154)	(11,023)
Cash and investments - beginning	-	260,184	-	-	4,330	8,154	180,635
Cash and investments - ending	<u>\$ 10,384</u>	<u>\$ 220,310</u>	<u>\$ -</u>	<u>\$ 32,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,612</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 10,384	\$ 220,310	\$ -	\$ 32,750	\$ -	\$ -	\$ 169,612
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,384	\$ 220,310	\$ -	\$ 32,750	\$ -	\$ -	\$ 169,612
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,384	220,310	-	32,750	-	-	169,612
Total cash and investment fund balance - ending	\$ 10,384	\$ 220,310	\$ -	\$ 32,750	\$ -	\$ -	\$ 169,612

MARION 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, 2006
 (Continued)

	Enhancing Education Through Technology 2006	Improving Teacher Quality 2005	Enhancing Education Through Technology 2007	Title 3 Language Instruction 2005	Title 3 Language Instruction 2006	Retirement/ Severance Bond Debt Service	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,954,296	\$ 2,401,300
State sources	-	-	-	-	-	-	697,445
Federal sources	43,617	-	6,594	-	26,290	-	4,488,036
Sale of property, adjustments and refunds	-	-	-	-	-	-	36,311
Total receipts	43,617	-	6,594	-	26,290	1,954,296	7,623,092
Disbursements:							
Current:							
Instruction	-	86,768	-	2,032	21,128	-	2,876,085
Support services	3,572	79,998	7,964	-	1,619	-	3,225,790
Community services	-	-	-	-	-	-	48,152
Nonprogrammed charges	-	-	1,934	-	-	-	666,484
Debt services	-	-	-	-	-	2,577,118	2,577,118
Total disbursements	3,572	166,766	9,898	2,032	22,747	2,577,118	9,393,629
Excess (deficiency) of receipts over disbursements	40,045	(166,766)	(3,304)	(2,032)	3,543	(622,822)	(1,770,537)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	846,518
Transfers out	-	-	-	-	-	(42,340)	(253,890)
Total other financing sources (uses)	-	-	-	-	-	(42,340)	592,628
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	40,045	(166,766)	(3,304)	(2,032)	3,543	(665,162)	(1,177,909)
Cash and investments - beginning	26,478	166,766	3,304	2,032	-	648,094	4,393,319
Cash and investments - ending	\$ 66,523	\$ -	\$ -	\$ -	\$ 3,543	\$ (17,068)	\$ 3,215,410
Cash and Investment Assets - Ending							
Cash and investments	\$ 66,523	\$ -	\$ -	\$ -	\$ 3,543	\$ -	\$ 3,232,478
Restricted assets:							
Cash and investments	-	-	-	-	-	(17,068)	(17,068)
Total cash and investment assets - ending	\$ 66,523	\$ -	\$ -	\$ -	\$ 3,543	\$ (17,068)	\$ 3,215,410
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	(17,068)	(17,068)
Unrestricted	66,523	-	-	-	3,543	-	3,232,478
Total cash and investment fund balance - ending	\$ 66,523	\$ -	\$ -	\$ -	\$ 3,543	\$ (17,068)	\$ 3,215,410

MARION 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, 2007

	Special Education Preschool	Textbook Rental	Levy Excess	Alternative Education	Local Retirement	In and Out Account	Dollar General Reading is Fundamental
Receipts:							
Local sources	\$ 18,950	\$ 144,175	\$ -	\$ -	\$ 83,843	\$ 20,721	\$ -
Intermediate sources	-	-	-	-	-	-	1,868
State sources	141,307	125,810	-	55,637	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	160,257	269,985	-	55,637	83,843	20,721	1,868
Disbursements:							
Current:							
Instruction	66,038	-	-	1,617	-	-	597
Support services	11,984	288,560	-	931	652,626	20,777	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	78,022	288,560	-	2,548	652,626	20,777	597
Excess (deficiency) of receipts over disbursements	82,235	(18,575)	-	53,089	(568,783)	(56)	1,271
Other financing sources (uses):							
Transfers in	-	66,359	59,958	-	-	-	-
Transfers out	(87)	-	-	-	-	-	-
Total other financing sources (uses)	(87)	66,359	59,958	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	82,148	47,784	59,958	53,089	(568,783)	(56)	1,271
Cash and investments - beginning	54,876	91,109	674,582	71,941	1,122,901	-	-
Cash and investments - ending	\$ 137,024	\$ 138,893	\$ 734,540	\$ 125,030	\$ 554,118	\$ (56)	\$ 1,271
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 137,024	\$ 138,893	\$ 734,540	\$ 125,030	\$ 554,118	\$ (56)	\$ 1,271
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 137,024	\$ 138,893	\$ 734,540	\$ 125,030	\$ 554,118	\$ (56)	\$ 1,271
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	137,024	138,893	734,540	125,030	554,118	(56)	1,271
Total cash and investment fund balance - ending	\$ 137,024	\$ 138,893	\$ 734,540	\$ 125,030	\$ 554,118	\$ (56)	\$ 1,271

MARION 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, 2007
 (Continued)

	Gifted and Talented Expansion 2005	Gifted and Talented 2006	Education Technology Advancement	Medicaid Reimbursement	Non-English Speaking 2006	Non-English Speaking 2007	Career Majors
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	20,973	-	306,810	-	-	2,736	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	20,973	-	306,810	-	-	2,736	-
Disbursements:							
Current:							
Instruction	5,358	8,186	-	-	71	-	-
Support services	47	-	596,590	-	-	-	10,030
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	5,405	8,186	596,590	-	71	-	10,030
Excess (deficiency) of receipts over disbursements	15,568	(8,186)	(289,780)	-	(71)	2,736	(10,030)
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	15,568	(8,186)	(289,780)	-	(71)	2,736	(10,030)
Cash and investments - beginning	-	8,186	(24,486)	1,252	2,979	-	-
Cash and investments - ending	\$ 15,568	\$ -	\$ (314,266)	\$ 1,252	\$ 2,908	\$ 2,736	\$ (10,030)
Cash and Investment Assets - Ending							
Cash and investments	\$ 15,568	\$ -	\$ (314,266)	\$ 1,252	\$ 2,908	\$ 2,736	\$ (10,030)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 15,568	\$ -	\$ (314,266)	\$ 1,252	\$ 2,908	\$ 2,736	\$ (10,030)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	15,568	-	(314,266)	1,252	2,908	2,736	(10,030)
Total cash and investment fund balance - ending	\$ 15,568	\$ -	\$ (314,266)	\$ 1,252	\$ 2,908	\$ 2,736	\$ (10,030)

MARION 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, 2007
 (Continued)

	Intelnet Access Technology	Vision Athena McCulloch	CAPE Grant Tucker	CAPE Lift ESL	CAPE Lift Pow-wow	Safe Haven Time Away 2006	Safe Haven Time Away 2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	1,916	833	2,768	(1,316)	3,348
Support services	3,475	-	-	-	-	37	205
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	3,475	-	1,916	833	2,768	(1,279)	3,553
Excess (deficiency) of receipts over disbursements	(3,475)	-	(1,916)	(833)	(2,768)	1,279	(3,553)
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	(3,475)	-	(1,916)	(833)	(2,768)	1,279	(3,553)
Cash and investments - beginning	17,552	1,452	4,145	840	3,074	-	-
Cash and investments - ending	\$ 14,077	\$ 1,452	\$ 2,229	\$ 7	\$ 306	\$ 1,279	\$ (3,553)
Cash and Investment Assets - Ending							
Cash and investments	\$ 14,077	\$ 1,452	\$ 2,229	\$ 7	\$ 306	\$ 1,279	\$ (3,553)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 14,077	\$ 1,452	\$ 2,229	\$ 7	\$ 306	\$ 1,279	\$ (3,553)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	14,077	1,452	2,229	7	306	1,279	(3,553)
Total cash and investment fund balance - ending	\$ 14,077	\$ 1,452	\$ 2,229	\$ 7	\$ 306	\$ 1,279	\$ (3,553)

MARION 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, 2007
 (Continued)

	Safe Haven Time Away 2005	Title 1 School Improvement 2007 Slocum	Title 1 School Improvement 2007 Allen	Title 1 Delinquent 2006	Title 1 Delinquent 2007	Title 1 School Improvement 2007 Southeast	Title 1 06-2865
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	56	-	-	-	-	-	-
Federal sources	-	16,884	16,884	9,228	21,598	42,084	237,242
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	56	16,884	16,884	9,228	21,598	42,084	237,242
Disbursements:							
Current:							
Instruction	329	844	1,414	1,134	51,046	8,179	175,588
Support services	-	3,541	3,523	-	11,444	4,137	140,332
Community services	-	1,000	8,273	-	97	95	2,413
Nonprogrammed charges	-	-	-	-	-	-	28,268
Debt services	-	-	-	-	-	-	-
Total disbursements	329	5,385	13,210	1,134	62,587	12,411	346,601
Excess (deficiency) of receipts over disbursements	(273)	11,499	3,674	8,094	(40,989)	29,673	(109,359)
Other financing sources (uses):							
Transfers in	-	-	-	4,306	12,400	-	-
Transfers out	-	-	-	(12,400)	(4,306)	-	-
Total other financing sources (uses)	-	-	-	(8,094)	8,094	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(273)	11,499	3,674	-	(32,895)	29,673	(109,359)
Cash and investments - beginning	11,335	-	-	-	-	-	423,146
Cash and investments - ending	\$ 11,062	\$ 11,499	\$ 3,674	\$ -	\$ (32,895)	\$ 29,673	\$ 313,787
Cash and Investment Assets - Ending							
Cash and investments	\$ 11,062	\$ 11,499	\$ 3,674	\$ -	\$ (32,895)	\$ 29,673	\$ 313,787
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,062	\$ 11,499	\$ 3,674	\$ -	\$ (32,895)	\$ 29,673	\$ 313,787
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,062	11,499	3,674	-	(32,895)	29,673	313,787
Total cash and investment fund balance - ending	\$ 11,062	\$ 11,499	\$ 3,674	\$ -	\$ (32,895)	\$ 29,673	\$ 313,787

MARION 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, 2007
 (Continued)

	Title 1 07-2865	Title 1 School Improvement 2006 Slocum	Title 5 Innovative 02-085	Title 5 Innovative 04-217	Title 1 Migrant FY00-07/RM22	Title 1 Migrant 2006	Stewart McKinney 2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	1,342,232	-	22,921	2,061	89,000	-	32,050
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	1,342,232	-	22,921	2,061	89,000	-	32,050
Disbursements:							
Current:							
Instruction	928,737	20,701	400	-	70,267	2,905	-
Support services	342,172	22,819	86	30,208	24,028	1,589	28,468
Community services	10,467	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,129	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,281,376	43,520	486	31,337	94,295	4,494	28,468
Excess (deficiency) of receipts over disbursements	60,856	(43,520)	22,435	(29,276)	(5,295)	(4,494)	3,582
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	60,856	(43,520)	22,435	(29,276)	(5,295)	(4,494)	3,582
Cash and investments - beginning	-	43,574	-	31,337	-	4,494	32,050
Cash and investments - ending	\$ 60,856	\$ 54	\$ 22,435	\$ 2,061	\$ (5,295)	\$ -	\$ 35,632
Cash and Investment Assets - Ending							
Cash and investments	\$ 60,856	\$ 54	\$ 22,435	\$ 2,061	\$ (5,295)	\$ -	\$ 35,632
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 60,856	\$ 54	\$ 22,435	\$ 2,061	\$ (5,295)	\$ -	\$ 35,632
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	60,856	54	22,435	2,061	(5,295)	-	35,632
Total cash and investment fund balance - ending	\$ 60,856	\$ 54	\$ 22,435	\$ 2,061	\$ (5,295)	\$ -	\$ 35,632

MARION 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, 2007
 (Continued)

	Stewart McKinney 2006	IDEA 2006	IDEA 2007	Title 3 Adult Basic Education 2006	Title 3 Adult Basic Education 2007	Drug Free Schools 2007	Drug Free Schools 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	239,523	915,218	-	93,635	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	239,523	915,218	-	93,635	-	-
Disbursements:							
Current:							
Instruction	-	162,436	466,106	11,372	76,639	9,828	2,558
Support services	2,650	239,088	380,160	5,159	18,848	-	30,247
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	2,650	401,524	846,266	16,531	95,487	9,828	32,805
Excess (deficiency) of receipts over disbursements	(2,650)	(162,001)	68,952	(16,531)	(1,852)	(9,828)	(32,805)
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	(2,650)	(162,001)	68,952	(16,531)	(1,852)	(9,828)	(32,805)
Cash and investments - beginning	2,650	180,462	-	16,531	-	-	43,874
Cash and investments - ending	\$ -	\$ 18,461	\$ 68,952	\$ -	\$ (1,852)	\$ (9,828)	\$ 11,069
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 18,461	\$ 68,952	\$ -	\$ (1,852)	\$ (9,828)	\$ 11,069
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 18,461	\$ 68,952	\$ -	\$ (1,852)	\$ (9,828)	\$ 11,069
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	18,461	68,952	-	(1,852)	(9,828)	11,069
Total cash and investment fund balance - ending	\$ -	\$ 18,461	\$ 68,952	\$ -	\$ (1,852)	\$ (9,828)	\$ 11,069

MARION 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, 2007
 (Continued)

	IDEA Preschool 2006	IDEA Preschool 2007	Carl Perkins 2006	Carl Perkins 2007	Head Start 2005	Head Start 2006	Head Start T and TA 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	23,215	111,439	160,764	-	433,000	-
Sale of property, adjustments and refunds	-	-	-	-	10,340	-	-
Total receipts	-	23,215	111,439	160,764	10,340	433,000	-
Disbursements:							
Current:							
Instruction	-	-	17,051	77,998	-	260,452	6,150
Support services	2,380	47,316	12,073	59,853	-	297,978	-
Community services	-	-	-	-	-	12,360	-
Nonprogrammed charges	-	-	22,009	41,259	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	2,380	47,316	51,133	179,110	-	570,790	6,150
Excess (deficiency) of receipts over disbursements	(2,380)	(24,101)	60,306	(18,346)	10,340	(137,790)	(6,150)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10,340)	-	-
Total other financing sources (uses)	-	-	-	-	(10,340)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,380)	(24,101)	60,306	(18,346)	-	(137,790)	(6,150)
Cash and investments - beginning	2,380	-	(60,306)	-	-	(32,574)	10,384
Cash and investments - ending	\$ -	\$ (24,101)	\$ -	\$ (18,346)	\$ -	\$ (170,364)	\$ 4,234
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ (24,101)	\$ -	\$ (18,346)	\$ -	\$ (170,364)	\$ 4,234
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (24,101)	\$ -	\$ (18,346)	\$ -	\$ (170,364)	\$ 4,234
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(24,101)	-	(18,346)	-	(170,364)	4,234
Total cash and investment fund balance - ending	\$ -	\$ (24,101)	\$ -	\$ (18,346)	\$ -	\$ (170,364)	\$ 4,234

MARION 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, 2007
 (Continued)

	Head Start 2007	Head Start T and TA 2007	Medicaid Reimbursement Federal	Pell Grant	Hurricane Displaced Students	Improving Teacher Quality 2006	Enhancing Education Through Technology 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	150,000	-	-	77,625	31,375	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	150,000	-	-	77,625	31,375	-	-
Disbursements:							
Current:							
Instruction	207,942	4,162	22,328	-	-	97,788	-
Support services	205,666	-	19,952	-	-	143,138	35,922
Community services	12,595	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	80,225	-	-	30,324
Debt services	-	-	-	-	-	-	-
Total disbursements	426,203	4,162	42,280	80,225	-	240,926	66,246
Excess (deficiency) of receipts over disbursements	(276,203)	(4,162)	(42,280)	(2,600)	31,375	(240,926)	(66,246)
Other financing sources (uses):							
Transfers in	10,340	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	10,340	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(265,863)	(4,162)	(42,280)	(2,600)	31,375	(240,926)	(66,246)
Cash and investments - beginning	-	-	220,310	-	32,750	169,612	66,523
Cash and investments - ending	\$ (265,863)	\$ (4,162)	\$ 178,030	\$ (2,600)	\$ 64,125	\$ (71,314)	\$ 277
Cash and Investment Assets - Ending							
Cash and investments	\$ (265,863)	\$ (4,162)	\$ 178,030	\$ (2,600)	\$ 64,125	\$ (71,314)	\$ 277
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (265,863)	\$ (4,162)	\$ 178,030	\$ (2,600)	\$ 64,125	\$ (71,314)	\$ 277
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(265,863)	(4,162)	178,030	(2,600)	64,125	(71,314)	277
Total cash and investment fund balance - ending	\$ (265,863)	\$ (4,162)	\$ 178,030	\$ (2,600)	\$ 64,125	\$ (71,314)	\$ 277

MARION 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, 2007
 (Continued)

	Improving Teacher Quality 2007	Enhancing Education Through Technology 2007	Improving Teacher Quality 2005	Title 3 Language Instruction 2007	Title 3 Language Instruction 2006	Retirement/ Severance Bond Debt Service	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,779	\$ 1,041,468
Intermediate sources	-	-	-	-	-	-	1,868
State sources	-	-	-	-	-	-	653,329
Federal sources	527,808	30,324	-	40,120	-	-	4,666,230
Sale of property, adjustments and refunds	-	-	-	-	-	-	10,340
Total receipts	527,808	30,324	-	40,120	-	773,779	6,373,235
Disbursements:							
Current:							
Instruction	64,210	-	-	21,563	3,543	-	2,863,086
Support services	73,734	20,477	5,400	1,593	-	-	3,799,243
Community services	-	-	-	-	-	-	47,300
Nonprogrammed charges	-	-	-	-	-	-	203,214
Debt services	-	-	-	-	-	641,298	641,298
Total disbursements	137,944	20,477	5,400	23,156	3,543	641,298	7,554,141
Excess (deficiency) of receipts over disbursements	389,864	9,847	(5,400)	16,964	(3,543)	132,481	(1,180,906)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	153,363
Transfers out	-	-	-	-	-	(3,581)	(30,714)
Total other financing sources (uses)	-	-	-	-	-	(3,581)	122,649
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	389,864	9,847	(5,400)	16,964	(3,543)	128,900	(1,058,257)
Cash and investments - beginning	-	-	-	-	3,543	(17,068)	3,215,410
Cash and investments - ending	\$ 389,864	\$ 9,847	\$ (5,400)	\$ 16,964	\$ -	\$ 111,832	\$ 2,157,153
Cash and Investment Assets - Ending							
Cash and investments	\$ 389,864	\$ 9,847	\$ (5,400)	\$ 16,964	\$ -	\$ -	\$ 2,045,321
Restricted assets:							
Cash and investments	-	-	-	-	-	111,832	111,832
Total cash and investment assets - ending	\$ 389,864	\$ 9,847	\$ (5,400)	\$ 16,964	\$ -	\$ 111,832	\$ 2,157,153
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,832	\$ 111,832
Unrestricted	389,864	9,847	(5,400)	16,964	-	-	2,045,321
Total cash and investment fund balance - ending	\$ 389,864	\$ 9,847	\$ (5,400)	\$ 16,964	\$ -	\$ 111,832	\$ 2,157,153

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	Jordan Fundamentals	MJ Lowe Bequest	Glock Charitable Trust	Gethsemane Episcopal Trust	Maurice Andrea - McCulloch	Riverview Communication Focus	Attendance
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Investment earnings:							
Interest	-	-	-	-	-	-	-
Total additions	-	-	-	-	-	-	100
Deductions:							
Administrative and general	166	6,613	56	357	-	398	-
Excess (deficiency) of total additions over total deductions	(166)	(6,613)	(56)	(357)	-	(398)	100
Cash and investment fund balance - beginning	166	13,298	56	357	766	400	1,935
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 6,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766</u>	<u>\$ 2</u>	<u>\$ 2,035</u>
Net assets:							
Cash and investments	\$ -	\$ 6,685	\$ -	\$ -	\$ 766	\$ 2	\$ 2,035
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 6,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766</u>	<u>\$ 2</u>	<u>\$ 2,035</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Pierce Basketball School	Mary Clark Hanley Awards	Dee Fagar Memorial	Anthony Swain Grant	David Dimick Memorial	CAPE Consortium 2005	Charles Math Scholar
Additions:							
Contributions:							
Other	\$ -	\$ 3,216	\$ -	\$ -	\$ 279	\$ -	\$ -
Investment earnings:							
Interest	-	-	72	-	1	-	3,237
Total additions	-	3,216	72	-	280	-	3,237
Deductions:							
Administrative and general	10,000	3,216	124	-	302	2,178	1,000
Excess (deficiency) of total additions over total deductions	(10,000)	-	(52)	-	(22)	(2,178)	2,237
Cash and investment fund balance - beginning	10,000	-	858	105	22	2,178	35,923
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806</u>	<u>\$ 105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,160</u>
Net assets:							
Cash and investments	\$ -	\$ -	\$ 806	\$ 105	\$ -	\$ -	\$ 38,160
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806</u>	<u>\$ 105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,160</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Glen Allen Memorial	Angie Wiles Scholarship	Indiana Department of Health - McCulloch	WGM Scholarship	Dick Looten Scholarship	Seybold Scholarship	Mark Longenecker Scholarship
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -
Investment earnings:							
Interest	<u>93</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>579</u>	<u>183</u>	<u>459</u>
Total additions	<u>93</u>	<u>2</u>	<u>500</u>	<u>-</u>	<u>579</u>	<u>183</u>	<u>459</u>
Deductions:							
Administrative and general	<u>299</u>	<u>44</u>	<u>500</u>	<u>9</u>	<u>200</u>	<u>500</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(206)	(42)	-	(9)	379	(317)	459
Cash and investment fund balance - beginning	<u>1,201</u>	<u>42</u>	<u>-</u>	<u>9</u>	<u>6,445</u>	<u>2,410</u>	<u>4,968</u>
Cash and investments - June 30	<u>\$ 995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,824</u>	<u>\$ 2,093</u>	<u>\$ 5,427</u>
Net assets:							
Cash and investments	<u>\$ 995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,824</u>	<u>\$ 2,093</u>	<u>\$ 5,427</u>
Total net assets - cash and investment basis held in trust	<u>\$ 995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,824</u>	<u>\$ 2,093</u>	<u>\$ 5,427</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	26th Street Singers Scholarship	Fairmount Round Robins	Friends of Asherwood Project	Delta System Donation	Miscellaneous Mini Grants	Indiana State License Practical Nurses
Additions:						
Contributions:						
Other	\$ -	\$ 5,900	\$ 210,034	\$ -	\$ 19,679	\$ -
Investment earnings:						
Interest	<u>949</u>	<u>-</u>	<u>6,196</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total additions	<u>949</u>	<u>5,900</u>	<u>216,230</u>	<u>-</u>	<u>19,679</u>	<u>5</u>
Deductions:						
Administrative and general	<u>-</u>	<u>5,900</u>	<u>149,563</u>	<u>142</u>	<u>15,269</u>	<u>284</u>
Excess (deficiency) of total additions over total deductions	949	-	66,667	(142)	4,410	(279)
Cash and investment fund balance - beginning	<u>10,284</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>9,272</u>	<u>279</u>
Cash and investments - June 30	<u>\$ 11,233</u>	<u>\$ -</u>	<u>\$ 66,667</u>	<u>\$ 858</u>	<u>\$ 13,682</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 11,233</u>	<u>\$ -</u>	<u>\$ 66,667</u>	<u>\$ 858</u>	<u>\$ 13,682</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 11,233</u>	<u>\$ -</u>	<u>\$ 66,667</u>	<u>\$ 858</u>	<u>\$ 13,682</u>	<u>\$ -</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Wal-Mart Grant	IWU Donation	Recycle Grant	Dolgencorp Gray Construction Tucker	Shopa School Credit Union	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 40	\$ 500	\$ 9,000	\$ -	\$ 249,248
Investment earnings:						
Interest	-	-	-	-	-	11,776
Total additions	-	40	500	9,000	-	261,024
Deductions:						
Administrative and general	-	-	-	-	66	197,185
Excess (deficiency) of total additions over total deductions	-	40	500	9,000	(66)	63,839
Cash and investment fund balance - beginning	1,306	26	-	-	66	103,372
Cash and investments - June 30	<u>\$ 1,306</u>	<u>\$ 66</u>	<u>\$ 500</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 167,211</u>
Net assets:						
Cash and investments	\$ 1,306	\$ 66	\$ 500	\$ 9,000	\$ -	\$ 167,211
Total net assets - cash and investment basis held in trust	<u>\$ 1,306</u>	<u>\$ 66</u>	<u>\$ 500</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 167,211</u>

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

	MJ Lowe Bequest	Maurice Andrea - McCulloch	Riverview Communication Focus	Attendance	Mary Clark Hanley Awards	Dee Fagar Memorial
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ 3,252	\$ -
Investment earnings:						
Interest	-	-	-	-	-	71
Total additions	-	-	-	-	3,252	71
Deductions:						
Administrative and general	2,506	-	2	25	3,000	250
Excess (deficiency) of total additions over total deductions	(2,506)	-	(2)	(25)	252	(179)
Cash and investment fund balance - beginning	6,685	766	2	2,035	-	806
Cash and investments - June 30	<u>\$ 4,179</u>	<u>\$ 766</u>	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ 252</u>	<u>\$ 627</u>
Net assets:						
Cash and investments	\$ 4,179	\$ 766	\$ -	\$ 2,010	\$ 252	\$ 627
Total net assets - cash and investment basis held in trust	<u>\$ 4,179</u>	<u>\$ 766</u>	<u>\$ -</u>	<u>\$ 2,010</u>	<u>\$ 252</u>	<u>\$ 627</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Anthony Swain Grant	Charles Math Scholar	Glen Allen Memorial	Dick Looten Scholarship	Seybold Scholarship	Mark Longenecker Scholarship
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Interest	<u>-</u>	<u>3,907</u>	<u>73</u>	<u>717</u>	<u>168</u>	<u>514</u>
Total additions	<u>-</u>	<u>3,907</u>	<u>73</u>	<u>717</u>	<u>168</u>	<u>514</u>
Deductions:						
Administrative and general	<u>-</u>	<u>2,000</u>	<u>300</u>	<u>200</u>	<u>1,000</u>	<u>500</u>
Excess (deficiency) of total additions over total deductions	-	1,907	(227)	517	(832)	14
Cash and investment fund balance - beginning	<u>105</u>	<u>38,160</u>	<u>995</u>	<u>6,824</u>	<u>2,093</u>	<u>5,427</u>
Cash and investments - June 30	<u>\$ 105</u>	<u>\$ 40,067</u>	<u>\$ 768</u>	<u>\$ 7,341</u>	<u>\$ 1,261</u>	<u>\$ 5,441</u>
Net assets:						
Cash and investments	<u>\$ 105</u>	<u>\$ 40,067</u>	<u>\$ 768</u>	<u>\$ 7,341</u>	<u>\$ 1,261</u>	<u>\$ 5,441</u>
Total net assets - cash and investment basis held in trust	<u>\$ 105</u>	<u>\$ 40,067</u>	<u>\$ 768</u>	<u>\$ 7,341</u>	<u>\$ 1,261</u>	<u>\$ 5,441</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	26th Street Singers Scholarship	Friends of Asherwood Project	Delta System Donation	Asherwood Donations	Miscellaneous Mini Grants	Indiana State License Practical Nurses
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 1,000	\$ 4,147	\$ 3,738
Investment earnings:						
Interest	<u>1,000</u>	<u>161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>1,000</u>	<u>161</u>	<u>-</u>	<u>1,000</u>	<u>4,147</u>	<u>3,738</u>
Deductions:						
Administrative and general	<u>12,233</u>	<u>62,762</u>	<u>858</u>	<u>1,000</u>	<u>5,794</u>	<u>500</u>
Excess (deficiency) of total additions over total deductions	(11,233)	(62,601)	(858)	-	(1,647)	3,238
Cash and investment fund balance - beginning	<u>11,233</u>	<u>66,667</u>	<u>858</u>	<u>-</u>	<u>13,682</u>	<u>-</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 4,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,035</u>	<u>\$ 3,238</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ 4,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,035</u>	<u>\$ 3,238</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 4,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,035</u>	<u>\$ 3,238</u>

MARION COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Early Childhood Education	Wal-Mart Grant	IWU Donation	Recycle Grant	Dolgencorp Gray Construction Tucker	Totals
Additions:						
Contributions:						
Other	\$ 474	\$ -	\$ -	\$ -	\$ -	\$ 12,611
Investment earnings:						
Interest	-	-	-	-	-	6,611
Total additions	<u>474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,222</u>
Deductions:						
Administrative and general	-	-	66	661	5,178	98,836
Excess (deficiency) of total additions over total deductions	474	-	(66)	(661)	(5,178)	(79,614)
Cash and investment fund balance - beginning	-	1,306	66	500	9,000	167,211
Cash and investments - June 30	<u>\$ 474</u>	<u>\$ 1,306</u>	<u>\$ -</u>	<u>\$ (161)</u>	<u>\$ 3,822</u>	<u>\$ 87,597</u>
Net assets:						
Cash and investments	\$ 474	\$ 1,306	\$ -	\$ (161)	\$ 3,822	\$ 87,597
Total net assets - cash and investment basis held in trust	<u>\$ 474</u>	<u>\$ 1,306</u>	<u>\$ -</u>	<u>\$ (161)</u>	<u>\$ 3,822</u>	<u>\$ 87,597</u>

MARION COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended June 30, 2007

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:		
Marion High School Building	\$ 17,080,000	\$ 1,959,500
Computer Equipment	938,383	379,649
Notes and loans payable:		
Energy Savings	704,486	196,463
Common School Fund	490,500	251,952
Bonds payable:		
General obligation bonds:		
2004 Pension Retirement	<u>14,580,000</u>	<u>1,283,630</u>
Total governmental activities debt	<u>\$ 33,793,369</u>	<u>\$ 4,071,194</u>

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

ACADEMIC HONORS DIPLOMA - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates the amount reported for Academic Honors Diplomas was incorrect for the school year ending June 30, 2006. The amount reported was 73. The actual amount was 63.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

RECEIPT ISSUANCE

The following Title I State distributions were electronically deposited into the Marion Community Schools' bank account on March 2, 2007, but were not receipted or recorded until October 31, 2007:

<u>Date of Distribution</u>	<u>Amount</u>
03-02-07	\$ 25,200
03-02-07	64,796

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BANK ACCOUNT RECONCILIATIONS

Reconciliations of the fund balances to the bank account balances were incomplete. Errors included incorrect outstanding check lists; monthly bank analysis fees not posted to the records; grant distributions electronically deposited by the State but not posted to the records; and other unidentified monthly variances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

OVERDRAWN CASH BALANCES

The cash balances of various funds were overdrawn during the audit period. As of June 30, 2006, there were 4 funds overdrawn ranging from \$17,068 to \$60,306. As of June 30, 2007, there were 18 funds overdrawn ranging from \$56 to \$314,266.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

SALE OF CENTER ELEMENTARY SCHOOL

The Center Elementary School building was sold on November 21, 2005, for \$1,300,000. Appraisals of the property were not presented for audit.

Indiana Code 36-1-11-4(b) states in part: "The disposing agent shall first have the property appraised by two (2) appraisers. . . ."

CAPITAL ASSET RECORDS

Capital asset records have not been updated since December 2005. The School Corporation has contracted with an appraisal firm to inventory and appraise all capital assets.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CONDITION OF RECORDS

The following recordkeeping deficiencies were noted:

- (1) Controls over debt transactions were insufficient. Various claims for retirement of debt were not presented for audit and original equipment lease agreements could not be located.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

- (2) Numerous transactions were recorded as "negative" receipts and disbursements.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COMPENSATION

A former employee was paid for four days of work after the employee's date of resignation. The payment was made through payroll, even though the individual was no longer an employee, and not through a contractual agreement.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

COLLECTION OF AMOUNTS DUE - SUPPORTING DOCUMENTATION

A prior Treasurer was paid \$6,142 for unused benefit days. Supporting documentation was not presented for audit to verify the calculation of the amount paid.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COLLECTION OF AMOUNTS DUE - PERSONNEL POLICY ISSUES

The School Corporation has a Statement of Benefits and Compensation covering benefits and compensation for all noncertified employees. One section authorizes paid benefit days (sick, vacation, personal time). The section sets the maximum amount of sick leave that can be accumulated and also states that vacation days are noncumulative. Accumulated sick time exceeded the maximum amount allowed in several instances and carry-over of vacation time was authorized by the prior Superintendent.

The Statement of Benefits and Compensation, as well as the Teachers' Master Contract, establishes the employer's share of the cost of medical and dental insurance provided by the School Corporation. The cost in excess of the School Corporation's share is the employee's share. The School Corporation did not withhold enough from the certified staff during the calendar year ended December 31, 2006. The total calendar year certified staff's share of the cost was to be withheld over 20 pays, but was only withheld over 19 pays. Conversely, the School Corporation withheld too much from the noncertified staff during the calendar year ended December 31, 2006. The total calendar year noncertified staff's share of the cost was to be withheld over 20 pays, but was withheld over 21 pays.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Persons, companies or governmental units that have overpaid amounts to a governmental unit are entitled to a repayment or refund by check or warrant. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EMPLOYEE'S SERVICE RECORDS

The computer generated form for the Employee's Service Record (form 99A) was not properly prepared during the audit period. Ending balances for accumulated paid leave could not be verified. The computer generated form only reports days earned for the period, used, and ending balance. The beginning balance is not listed on the computer generated form.

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Additionally, the prior Superintendent was paid for 32 ½ days unused vacation leave, which was documented on a nonapproved service record form. The unused vacation leave ending balance reported on the computer generated service record form was 79 ½ days.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PENALTIES, INTEREST, AND OTHER CHARGES

The employees' federal, Social Security, and Medicare tax withholdings and applicable employer matching amounts were not timely remitted for the May 14, 2007, payroll. A remittance of \$296,440, (which included \$5,976 in penalties and interest), was paid to the Internal Revenue Service on September 21, 2007. After two letters of inquiry were written by School Officials asking to have the penalty removed, the Internal Revenue Service removed the failure to deposit penalty. As of January 22, 2008, a refund of the penalty has not been received.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ECA COMMISSION DEPOSIT (Applies to Center Elementary)

A commission check of \$51 from a beverage vendor was remitted to Center Elementary on June 9, 2006. The check was never receipted to the school's records or deposited to the school's checking account. The elementary school was closed at the end of the 2005-2006 school year and the records were closed out on September 7, 2006. The check was discovered in the records submitted for audit.

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

CONDITION OF RECORDS (Applies to Riverview Elementary)

Individual fund financial records presented for the 2006-2007 school year were incomplete. The control account (general ledger) was complete, but the individual fund receipts and disbursements were not posted after January 31, 2007. The records presented did not provide sufficient information to audit or establish receipts, disbursements, ending balances, or the accuracy or correctness of the transactions for the individual funds.

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

USE OF FORM SA-5, FINANCIAL REPORT (Applies to Riverview Elementary)

Financial Report (Form SA-5) was not presented for the 2006-2007 school year.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CONDITION OF RECORDS (Applies to McCulloch Middle)

The SA-5 financial statement for the school year 2005-2006 dated June 7, 2006, was inaccurate. Also, the SA-5 financial statement for the school year 2006-2007, dated June 15, 2007, did not provide sufficient detail to audit year end totals for receipts or disbursements.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

BANK ACCOUNT RECONCILIATION DEFICIENCIES (Applies to Marion High School)

Depository reconciliations of the fund balances to the bank account balances were incomplete and could not be verified. Deficiencies included:

- (1) Two investments totaling \$145,000 were not included in the fund balances or the reconciliation to the total bank account balances.
- (2) Two outstanding checks, listed in both year end reconcilements, had changed in amount.
- (3) Various outstanding transactions at the end of each school year could not be verified to the records as to when the transactions were subsequently cleared and/or voided.

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

RECEIPT DEFICIENCIES (Applies to Marion High School)

The following receipt deficiencies were noted from the information presented for audit:

- (1) Receipts were not issued on a timely basis. Receipts in some instances were written as much as 21 days after deposit of cash and checks.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (2) Receipts were not written in sequential order. Numerous batches of receipts could not be located to be verified to bank deposits.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (3) Receipts were not identified as to type of payment received (cash, check, money order) in order to verify the makeup of corresponding deposits.

The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt. Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

DISBURSEMENT DEFICIENCIES (Applies to Marion High School)

The following disbursement deficiencies were noted from the information presented for audit:

- (1) Disbursements examined showed the SA-1s (Purchase Order/Payment Authorization Voucher) lacked proper documentation and various SA-7s (claim for payment) could not be located.

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (2) Sales tax was paid on sports equipment purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CONDITION OF RECORDS (Applies to Marion High School)

The following deficiencies relating to the recordkeeping were noted:

- (1) The SA-5 financial statement (fund report) for receipts and disbursements did not agree with the detail (trial balance history) reports presented for audit.
- (2) Numerous transactions were recorded as "negative" receipts and disbursements.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (3) There were a considerable number of posting errors. These errors included receipts, checks, and corrections of errors not recorded in the proper funds. Numerous checks were also posted twice.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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ROOM E418
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF MARION COMMUNITY SCHOOLS, GRANT COUNTY, INDIANA

Compliance

We have audited the compliance of Marion 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, 2006 and 2007. 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, 2006 and 2007.

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

February 19, 2008

MARION COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 242,222	\$ 279,050
National School Lunch Program	10.555		<u>1,078,041</u>	<u>1,200,229</u>
Total for federal grantor agency			<u>1,320,263</u>	<u>1,479,279</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Indiana Criminal Justice Institute				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540			
		03-JF-015	<u>4,330</u>	<u>-</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14204-021-PN01	7,024	-
		14205-021-SN01	9,300	-
		14205-021-PN01	634,296	-
Pass-Through Mississinewa Community School Corporation				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14206-021-PN01	774,279	401,524
		14207-021-PN01	<u>-</u>	<u>846,266</u>
Total for program			<u>1,424,899</u>	<u>1,247,790</u>
Pass-Through Indiana Department of Education				
Special Education - Preschool Grants	84.173			
		45705-021-PN01	19,175	-
Pass-Through Mississinewa Community School Corporation				
Special Education - Preschool Grants	84.173			
		45706-021-PN01	53,399	2,380
		45707-021-PN01	<u>-</u>	<u>47,316</u>
Total for program			<u>72,574</u>	<u>49,696</u>
Total for cluster			<u>1,497,473</u>	<u>1,297,486</u>
Direct Grant				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063			
		FY 2005	87,650	-
		FY 2006	<u>-</u>	<u>80,225</u>
Total for cluster			<u>87,650</u>	<u>80,225</u>
Pass-Through Indiana Department of Education				
Adult Education - State Grant Program	84.002			
		FY 2005-8021	18,524	-
		FY 2006-8021	-	16,531
		FY 2007-8021	<u>-</u>	<u>95,487</u>
Total for program			<u>18,524</u>	<u>112,018</u>

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

MARION COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007
(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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Title I Grants to Local Educational Agencies	84.010			
		05-2865	30,974	-
		05-2865	339,755	-
		06-2865	30,114	1,135
		06-2865	1,052,808	346,601
		06-2865	27,309	43,521
		07-2865	-	5,385
		07-2865	-	13,210
		07-2865	-	12,412
		07-2865	-	66,893
		07-2865	-	1,281,375
Total for program			<u>1,480,960</u>	<u>1,770,532</u>
Migrant Education - State Grant Program	84.011			
		FY04-05/RM-10	1,248	-
		FY05-06/RM-3	80,506	4,494
		FY06-07/RM-14	-	94,295
Total for program			<u>81,754</u>	<u>98,789</u>
Vocational Education - Basic Grants to States	84.048			
		05-4700-2865	31,018	-
		06-4700-2865	172,673	51,134
		07-4700-2865	-	179,110
Total for program			<u>203,691</u>	<u>230,244</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		03-144	43,612	-
		04-255	3,727	32,805
		2865-06	-	9,828
Total for program			<u>47,339</u>	<u>42,633</u>
Education for Homeless Children and Youth	84.196			
		FY 04	37,873	-
		FY 05	-	28,468
		FY 06	29,400	2,650
Total for program			<u>67,273</u>	<u>31,118</u>
State Grants for Innovative Programs	84.298			
		03-214	39,486	-
		04-217	1,434	31,337
		05-268	-	486
Total for program			<u>40,920</u>	<u>31,823</u>

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

MARION COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007
(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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Education Technology State Grants	84.318			
		FY 2003	9,897	-
		FY 2004	3,572	35,922
		FY 2005	-	20,477
Total for program			<u>13,469</u>	<u>56,399</u>
English Language Acquisition Grants	84.365			
		FY 04-05	2,031	-
		FY 05-06	22,747	3,543
		FY 06-07	-	23,156
Total for program			<u>24,778</u>	<u>26,699</u>
Improving Teacher Quality State Grants	84.367			
		03-231	166,766	-
		04-136	263,916	240,926
		05-283	-	137,945
		06-2865	-	5,400
Total for program			<u>430,682</u>	<u>384,271</u>
Total for federal grantor agency			<u>3,994,513</u>	<u>4,162,237</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Grant				
Head Start	93.600			
		05CH-4199-40	501,377	-
		05CH-4199-41	446,054	570,789
		05CH-4199-41-T&TA	5,218	6,150
		05CH-4199-42	-	426,203
		05CH-4199-42-T&TA	-	4,162
Total for federal grantor agency			<u>952,649</u>	<u>1,007,304</u>
Total federal awards expended			<u>\$ 6,271,755</u>	<u>\$ 6,648,820</u>

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

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

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2006 and 2007:

Program Title	Federal CFDA Number	2006	2007
Special Education – Grants to States	84.027	\$ 335,279	\$ -

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 19,075	\$ 28,311
National School Lunch Program	10.555	85,529	122,107
Totals for cluster		\$ 104,604	\$ 150,418

MARION 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
84.010	Child Nutrition Cluster
84.048	Title I Grants to Local Educational Agencies Vocational Education – Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs: \$387,617

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MARION COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MARION COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 19, 2008, with Dr. Jeffrey A. Hendrix, Superintendent of Schools; and Charles A. Blake, Treasurer.

The contents of this report were discussed on February 21, 2008, with Mary Jane Bartrom, former Treasurer.

The contents of this report were discussed on February 21, 2008, with Sandra K. London, former Treasurer.