

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

AUDIT REPORT
OF
FAYETTE COUNTY SCHOOL CORPORATION
FAYETTE COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
03/31/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investments Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-24
Required Supplementary Information:	
Schedule of Funding Progress	25
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	26-53
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	54-55
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	56-59
Schedule of Capital Assets.....	60
Schedule of Long-Term Debt	61
Audit Results and Comments:	
Condition of Records	62
Transportation Operating Fund – Tax Anticipation Warrant Payments.....	62
Overdrawn Cash Balances.....	62
Capital Asset Records	63
Timely Bank Reconcilements	63
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	66-67
Schedule of Expenditures of Federal Awards	68-70
Notes to Schedule of Expenditures of Federal Awards.....	71
Schedule of Findings and Questioned Costs	72-73
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	74-77
Corrective Action Plan.....	78
Exit Conference.....	79
Official Response	80-81

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Matthew Reuss Scott Collins John A. Perkins	07-01-05 to 05-25-06 05-26-06 to 11-13-06 11-14-06 to 06-30-08
Superintendent of Schools	Theresa Eineman Tala Clay Dr. Russell Hodges	07-01-05 to 04-08-06 04-09-06 to 09-17-06 09-18-06 to 06-30-08
President of the School Board	Mark Denzler Gary Breitenbach	07-01-05 to 06-30-06 07-01-06 to 06-30-08



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

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fayette County School Corporation (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 March 10, 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.

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.

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

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

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

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

STATE BOARD OF ACCOUNTS

March 10, 2008



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

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fayette County School Corporation (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 March 10, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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 consider the deficiencies described in item 2007-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, of the significant deficiencies described above, we consider item 2007-1 to be material weakness.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan and Official Response. We did not audit the School Corporation's response and accordingly, we express no opinion on it.

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

March 10, 2008

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Disbursement and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 15,672,227	\$ -	\$ 218,918	\$ (15,453,309)
Support services	22,147,033	976,280	929,624	(20,241,129)
Community services	446,558	-	-	(446,558)
Nonprogrammed charges	1,852,595	-	-	(1,852,595)
Debt service	<u>4,386,181</u>	<u>-</u>	<u>-</u>	<u>(4,386,181)</u>
Total governmental activities	<u>\$ 44,504,594</u>	<u>\$ 976,280</u>	<u>\$ 1,148,542</u>	<u>(42,379,772)</u>
General receipts:				
Property taxes				12,576,637
Other local sources				4,142,584
State aid				17,958,418
Bonds and loans				814,618
Grants and contributions not restricted to specific programs				5,113,768
Sale of property, adjustments, and refunds				619,616
Investment earnings				<u>448,562</u>
Total general receipts				<u>41,674,203</u>
Change in net assets				(705,569)
Net assets - beginning				<u>12,361,090</u>
Net assets - ending				<u>\$ 11,655,521</u>
<u>Assets</u>				
Cash and investments				\$ 10,295,087
Restricted assets:				
Cash and investments				<u>1,360,434</u>
Total assets				<u>\$ 11,655,521</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,360,434
Unrestricted				<u>10,295,087</u>
Total net assets				<u>\$ 11,655,521</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net Disbursement and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 15,807,123	\$ -	\$ 181,255	\$ (15,625,868)
Support services	20,315,791	945,145	1,112,514	(18,258,132)
Community services	413,495	-	-	(413,495)
Nonprogrammed charges	2,222,343	-	-	(2,222,343)
Debt service	<u>2,126,977</u>	<u>-</u>	<u>-</u>	<u>(2,126,977)</u>
Total governmental activities	<u>\$ 40,885,729</u>	<u>\$ 945,145</u>	<u>\$ 1,293,769</u>	<u>(38,646,815)</u>
General receipts:				
Property taxes				7,608,704
Other local sources				3,841,023
State aid				18,092,180
Bonds and loans				543,238
Grants and contributions not restricted to specific programs				5,461,415
Sale of property, adjustments, and refunds				511,619
Investment earnings				<u>482,377</u>
Total general receipts				<u>36,540,556</u>
Change in net assets				(2,106,259)
Net assets - beginning				<u>11,655,521</u>
Net assets - ending				<u>\$ 9,549,262</u>
<u>Assets</u>				
Cash and investments				\$ 7,889,712
Restricted assets:				
Cash and investments				<u>1,659,550</u>
Total assets				<u>\$ 9,549,262</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,659,550
Unrestricted				<u>7,889,712</u>
Total net assets				<u>\$ 9,549,262</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day Fund	Whitewater Technical Career Center	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 7,863,495	\$ 1,941,414	\$ -	\$ 2,004,770	\$ 1,584,994	\$ 2,614,334	\$ 238,763	\$ 1,894,848	\$ 18,142,618
Intermediate sources	-	-	-	-	-	-	-	1,444	1,444
State sources	18,113,032	-	-	-	-	-	-	801,336	18,914,368
Federal sources	24,019	-	-	-	-	-	-	5,282,340	5,306,359
Bonds and loans	402,836	-	-	-	-	282,882	128,900	-	814,618
Sale of property, adjustments and refunds	86,835	42,106	-	42,400	-	10,795	48,238	389,242	619,616
Total receipts	26,490,217	1,983,520	-	2,047,170	1,584,994	2,908,011	415,901	8,369,210	43,799,023
Disbursements:									
Current:									
Instruction	12,495,134	-	-	870,969	-	-	-	2,306,124	15,672,227
Support services	10,685,549	1,888,838	-	908,765	-	2,735,310	661,666	5,266,903	22,147,031
Community services	211,092	-	-	-	-	-	-	235,466	446,558
Nonprogrammed charges	798,436	-	-	85,405	-	-	-	968,754	1,852,595
Debt services	2,141,527	181,854	-	-	1,597,819	140,640	-	324,341	4,386,181
Total disbursements	26,331,738	2,070,692	-	1,865,139	1,597,819	2,875,950	661,666	9,101,588	44,504,592
Excess (deficiency) of receipts over disbursements	158,479	(87,172)	-	182,031	(12,825)	32,061	(245,765)	(732,378)	(705,569)
Other financing sources (uses):									
Transfers in	41,781	-	-	-	-	-	-	1,071,516	1,113,297
Transfers out	(246,249)	(52,297)	-	(170,000)	(55,631)	(71,186)	(5,221)	(512,713)	(1,113,297)
Total other financing sources (uses)	(204,468)	(52,297)	-	(170,000)	(55,631)	(71,186)	(5,221)	558,803	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(45,989)	(139,469)	-	12,031	(68,456)	(39,125)	(250,986)	(173,575)	(705,569)
Cash and investments - beginning	3,290,581	784,157	1,094,641	1,654,463	523,136	1,120,542	301,293	3,592,277	12,361,090
Cash and investments - ending	<u>\$ 3,244,592</u>	<u>\$ 644,688</u>	<u>\$ 1,094,641</u>	<u>\$ 1,666,494</u>	<u>\$ 454,680</u>	<u>\$ 1,081,417</u>	<u>\$ 50,307</u>	<u>\$ 3,418,702</u>	<u>\$ 11,655,521</u>
Cash and Investment Assets - Ending									
Cash and investments	\$ 3,244,592	\$ 644,688	\$ 1,094,641	\$ 1,666,494	\$ -	\$ 1,081,417	\$ 50,307	\$ 2,512,948	\$ 10,295,087
Restricted assets:									
Cash and investments	-	-	-	-	454,680	-	-	905,754	1,360,434
Total cash and investment assets - ending	<u>\$ 3,244,592</u>	<u>\$ 644,688</u>	<u>\$ 1,094,641</u>	<u>\$ 1,666,494</u>	<u>\$ 454,680</u>	<u>\$ 1,081,417</u>	<u>\$ 50,307</u>	<u>\$ 3,418,702</u>	<u>\$ 11,655,521</u>
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 454,680	\$ -	\$ -	\$ 905,754	\$ 1,360,434
Unrestricted	<u>3,244,592</u>	<u>644,688</u>	<u>1,094,641</u>	<u>1,666,494</u>	<u>-</u>	<u>1,081,417</u>	<u>50,307</u>	<u>2,512,948</u>	<u>10,295,087</u>
Total cash and investment fund balance - ending	<u>\$ 3,244,592</u>	<u>\$ 644,688</u>	<u>\$ 1,094,641</u>	<u>\$ 1,666,494</u>	<u>\$ 454,680</u>	<u>\$ 1,081,417</u>	<u>\$ 50,307</u>	<u>\$ 3,418,702</u>	<u>\$ 11,655,521</u>

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

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

	General	Transportation Operating	Rainy Day Fund	Whitewater Technical Career Center	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 4,980,949	\$ 1,232,749	\$ -	\$ 2,053,004	\$ 731,072	\$ 1,675,459	\$ 182,228	\$ 2,019,088	\$ 12,874,549
Intermediate sources	-	-	-	-	-	-	-	2,700	2,700
State sources	18,249,726	-	-	-	-	-	-	930,866	19,180,592
Federal sources	14	-	-	-	-	-	-	5,666,758	5,666,772
Bonds and loans	120,330	211,036	-	-	-	-	211,872	-	543,238
Sale of property, adjustments and refunds	73,908	91,664	-	64,113	790	1,900	-	279,244	511,619
Total receipts	23,424,927	1,535,449	-	2,117,117	731,862	1,677,359	394,100	8,898,656	38,779,470
Disbursements:									
Current:									
Instruction	12,268,244	-	-	841,503	-	-	-	2,697,376	15,807,123
Support services	10,670,994	1,642,551	-	884,702	-	2,165,151	-	4,952,393	20,315,791
Community services	184,490	-	-	-	-	-	-	229,005	413,495
Nonprogrammed charges	1,021,179	-	-	72,445	-	-	-	1,128,719	2,222,343
Debt services	-	-	-	-	1,566,332	282,882	170,386	107,377	2,126,977
Total disbursements	24,144,907	1,642,551	-	1,798,650	1,566,332	2,448,033	170,386	9,114,870	40,885,729
Excess (deficiency) of receipts over disbursements	(719,980)	(107,102)	-	318,467	(834,470)	(770,674)	223,714	(216,214)	(2,106,259)
Other financing sources (uses):									
Transfers in	396,186	-	-	-	-	-	-	2,426,978	2,823,164
Transfers out	(38,553)	-	(1,094,641)	(170,000)	-	-	-	(1,519,970)	(2,823,164)
Total other financing sources (uses)	357,633	-	(1,094,641)	(170,000)	-	-	-	907,008	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(362,347)	(107,102)	(1,094,641)	148,467	(834,470)	(770,674)	223,714	690,794	(2,106,259)
Cash and investments - beginning	3,244,592	644,688	1,094,641	1,666,494	454,680	1,081,417	50,307	3,418,702	11,655,521
Cash and investments - ending	\$ 2,882,245	\$ 537,586	\$ -	\$ 1,814,961	\$ (379,790)	\$ 310,743	\$ 274,021	\$ 4,109,496	\$ 9,549,262
Cash and Investment Assets - Ending									
Cash and investments	\$ 2,882,245	\$ 537,586	\$ -	\$ 1,814,961	\$ -	\$ 310,743	\$ 274,021	\$ 2,070,156	\$ 7,889,712
Restricted assets:									
Cash and investments	-	-	-	-	(379,790)	-	-	2,039,340	1,659,550
Total cash and investment assets - ending	\$ 2,882,245	\$ 537,586	\$ -	\$ 1,814,961	\$ (379,790)	\$ 310,743	\$ 274,021	\$ 4,109,496	\$ 9,549,262
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (379,790)	\$ -	\$ -	\$ 2,039,340	\$ 1,659,550
Unrestricted	2,882,245	537,586	-	1,814,961	-	310,743	274,021	2,070,156	7,889,712
Total cash and investment fund balance - ending	\$ 2,882,245	\$ 537,586	\$ -	\$ 1,814,961	\$ (379,790)	\$ 310,743	\$ 274,021	\$ 4,109,496	\$ 9,549,262

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

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Funds</u>
Additions:		
Contributions:		
Other	\$ 33,546	\$ 143,401
Investment earnings:		
Interest	<u>2,720</u>	<u>-</u>
Total additions	<u>36,266</u>	<u>143,401</u>
Deductions:		
Benefits	204,398	-
Administrative and general	<u>-</u>	<u>268,394</u>
Total deductions	<u>204,398</u>	<u>268,394</u>
Deficiency of total additions over total deductions	(168,132)	(124,993)
Cash and investment fund balance - beginning	<u>1,867,761</u>	<u>129,808</u>
Cash and investment fund balance - ending	<u>\$ 1,699,629</u>	<u>\$ 4,815</u>
Net assets:		
Cash and investments	<u>\$ 1,699,629</u>	<u>\$ 4,815</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,699,629</u>	<u>\$ 4,815</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Funds</u>
Additions:		
Contributions:		
Other	\$ 37,222	\$ 56,778
Deductions:		
Administrative and general	<u>12,827</u>	<u>58,713</u>
Deficiency of total additions over total deductions	24,395	(1,935)
Cash and investment fund balance - beginning	<u>1,699,629</u>	<u>4,815</u>
Cash and investment fund balance - ending	<u>\$ 1,724,024</u>	<u>\$ 2,880</u>
Net assets:		
Cash and investments	<u>\$ 1,724,024</u>	<u>\$ 2,880</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,724,024</u>	<u>\$ 2,880</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Fayette County School Corporation

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

Joint Venture

The School Corporation is a participant with two other member school corporations in a joint venture to operate East Central Special Services (Co-op) which was created to provide instruction for handicapped children. The Co-op Board consists of the Superintendents of the member school corporations. Fayette County School Corporation maintains the treasury function for the Co-op, and is accountable to the Co-op for all fiscal matters.

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.

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.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

The Whitewater Technical Career Center accounts for funds received and expended for vocational education.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the bonds and payments anticipated to be made to employees on or after termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the faculty and student development and training programs.

C. Measurement Focus and Basis of Accounting

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

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

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

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Compensated Absences

a. Sick Leave

Certified personnel earn sick leave at the rate of 10 days per year. Unused sick leave may be accumulated to a maximum of 165 days.

Noncertified personnel who are twelve-month employees earn sick leave at the rate of 10 days per year. Unused sick leave may be accumulated to a maximum of 110. Accumulated sick leave is paid to employees at various amounts depending upon years of service.

Noncertified personnel who are less than twelve-month employees earn sick leave at the rate of 8 days per year. Unused sick leave may be accumulated to a maximum of 110 days. Accumulated sick leave is paid to employees at various amounts depending upon years of service.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

c. Personal Leave

School Corporation employees earn personal leave at the rate of 2 days per year. Unused personal leave is converted to sick leave at the end of the fiscal year.

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.

E. Receipts and Disbursements

Program Receipts

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

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.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. 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 or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

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:

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2006	2007
Debt Service	\$ -	\$ 379,790
Whitewater Technical Capital Outlay	10,071	84,607
Whitewater Technical Career Center Perkins 05-06	48,519	-
Head Start 05-06	63,759	-
Safe Haven 06-07	-	35
Fayette County Share Special Education IDEA Part B 06-07	-	655,950
Special Education Preschool 06-07	-	10,268
Connersville High School Project Lead the Way	-	2,897
Connersville High School Library Services Technology Act Mini-Grant	-	3,197
Fayette County School Corporation Special Education Part B 05-06	461,996	-

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

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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:

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To	2006	2007
General Fund	General Fund	\$ 41,781	\$ -
Rainy Day Fund	Other governmental funds	-	1,094,641
	Other governmental funds	204,468	38,553
Transportation Operating Fund	Other governmental funds	52,297	-
Whitewater Technical Career Center Fund	Other governmental funds	170,000	170,000
Debt Service Fund	Other governmental funds	55,631	-
Capital Projects Fund	Other governmental funds	71,186	-
School Bus Replacement Fund	Other governmental funds	5,221	-
Other governmental funds	Other governmental funds	512,713	1,123,784
	General Fund	-	396,186
		<u>-</u>	<u>396,186</u>
Totals		<u>\$ 1,113,297</u>	<u>\$ 2,823,164</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions. The School Corporation also transferred funds from the Rainy Day fund to the Qualified Zone Academy Bond fund for the future payment of QZAB bonds.

C. Restatements and Reclassifications

For the year ended June 30, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2005	Fund Reclassification	Balance as Restated July 1, 2005
Private Purpose Trust Fund	\$ 1,035,167	\$ (905,359)	\$ 129,808
Other Governmental Funds	2,686,918	905,359	3,592,277

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; 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.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees, Retirees and Dependents

During 1990, the School Corporation joined with other governmental entities to form the East Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for eleven member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees and dependents. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

B. Holding Corporations

The School Corporation has entered into a capital lease with Fayette County Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2006, and June 30, 2007, totaled \$822,980 and \$765,000 respectively.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment early retirement incentive benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, 48 retirees meet these eligibility requirements. The School Corporation provides 100% of 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 \$534,699 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy and Annual Pension Cost

The contribution requirements of 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	\$ 264,109
Interest on net pension obligation	(7,564)
Adjustment to annual required contribution	8,620
Annual pension cost	265,165
Contributions made	269,365
Decrease in net pension obligation	(4,200)
Net pension obligation, beginning of year	(104,331)
Net pension obligation, end of year	\$ (108,531)
Contribution rates:	
School Corporation	5.75%
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

FAYETTE COUNTY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 233,840	98%	\$ 87,414
	06-30-05	244,820	107%	104,331
	06-30-06	265,165	102%	108,531

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Plan members are required to contribute 8.5% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$438,331, \$402,608, and \$370,600, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

FAYETTE COUNTY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 5,707,066	\$ 5,845,431	\$ (138,365)	98%	\$ 4,620,985	(3%)
07-01-05	5,914,868	6,261,871	(347,003)	94%	4,508,308	(8%)
07-01-06	6,089,925	6,512,986	(423,061)	94%	4,790,725	(9%)

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Centerville- Fayette-Rush Special Education Consortium	Whitewater Technical Capital Outlay	ECESC*
Receipts:							
Local sources	\$ 26,363	\$ 728,015	\$ 233,644	\$ -	\$ -	\$ -	\$ 359,713
Intermediate sources	-	-	-	-	-	-	-
State sources	154,121	16,517	88,168	-	924	-	249,054
Federal sources	-	713,651	-	-	-	-	-
Sale of property, adjustments and refunds	-	2,823	16,310	-	250	-	104,538
Total receipts	180,484	1,461,006	338,122	-	1,174	-	713,305
Disbursements:							
Current:							
Instruction	157,541	-	-	-	-	-	-
Support services	25,231	1,483,282	365,740	-	5,403	258,838	627,493
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	182,772	1,483,282	365,740	-	5,403	258,838	627,493
Excess (deficiency) of receipts over disbursements	(2,288)	(22,276)	(27,618)	-	(4,229)	(258,838)	85,812
Other financing sources (uses):							
Transfers in	-	-	-	395,774	-	170,000	-
Transfers out	(765)	-	-	-	-	-	-
Total other financing sources (uses)	(765)	-	-	395,774	-	170,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,053)	(22,276)	(27,618)	395,774	(4,229)	(88,838)	85,812
Cash and investments - beginning	260,614	208,606	314,411	-	67,970	78,767	345,741
Cash and investments - ending	\$ 257,561	\$ 186,330	\$ 286,793	\$ 395,774	\$ 63,741	\$ (10,071)	\$ 431,553
Cash and Investment Assets - Ending							
Cash and investments	\$ 257,561	\$ 186,330	\$ 286,793	\$ 395,774	\$ 63,741	\$ (10,071)	\$ 431,553
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 257,561	\$ 186,330	\$ 286,793	\$ 395,774	\$ 63,741	\$ (10,071)	\$ 431,553
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	257,561	186,330	286,793	395,774	63,741	(10,071)	431,553
Total cash and investment fund balance - ending	\$ 257,561	\$ 186,330	\$ 286,793	\$ 395,774	\$ 63,741	\$ (10,071)	\$ 431,553

*The abbreviation ECESC refers to the East Central Education Service Center.

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	ECESC* Joint Services	ECESC* Natural Gas Coop	ECESC* Repair Services	ECESC* Insurance Association	ECESC* Health	Magic Moments Capital Improvements
Receipts:						
Local sources	\$ -	\$ 35,963	\$ 22,755	\$ -	\$ -	\$ 273,477
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	31,387
Federal sources	-	-	-	-	-	218
Sale of property, adjustments and refunds	<u>169,691</u>	<u>-</u>	<u>-</u>	<u>27,805</u>	<u>60,057</u>	<u>140</u>
Total receipts	<u>169,691</u>	<u>35,963</u>	<u>22,755</u>	<u>27,805</u>	<u>60,057</u>	<u>305,222</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	172,449	34,360	22,349	27,729	59,926	100,214
Community services	-	-	-	-	-	195,233
Nonprogrammed charges	-	-	-	-	-	-
Debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>172,449</u>	<u>34,360</u>	<u>22,349</u>	<u>27,729</u>	<u>59,926</u>	<u>295,447</u>
Excess (deficiency) of receipts over disbursements	<u>(2,758)</u>	<u>1,603</u>	<u>406</u>	<u>76</u>	<u>131</u>	<u>9,775</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,758)</u>	<u>1,603</u>	<u>406</u>	<u>76</u>	<u>131</u>	<u>9,775</u>
Cash and investments - beginning	<u>53,289</u>	<u>-</u>	<u>924</u>	<u>25,181</u>	<u>123</u>	<u>39,551</u>
Cash and investments - ending	<u>\$ 50,531</u>	<u>\$ 1,603</u>	<u>\$ 1,330</u>	<u>\$ 25,257</u>	<u>\$ 254</u>	<u>\$ 49,326</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 50,531	\$ 1,603	\$ 1,330	\$ 25,257	\$ 254	\$ 49,326
Restricted assets:						
Cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 50,531</u>	<u>\$ 1,603</u>	<u>\$ 1,330</u>	<u>\$ 25,257</u>	<u>\$ 254</u>	<u>\$ 49,326</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>50,531</u>	<u>1,603</u>	<u>1,330</u>	<u>25,257</u>	<u>254</u>	<u>49,326</u>
Total cash and investment fund balance - ending	<u>\$ 50,531</u>	<u>\$ 1,603</u>	<u>\$ 1,330</u>	<u>\$ 25,257</u>	<u>\$ 254</u>	<u>\$ 49,326</u>

*The abbreviation ECESC refers to the East Central Education Service Center.

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Education License Plates	Alternative Education	Reading Recovery	Early Intervention	ECESC* Technology	ECESC* National Board
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	1,444	-	-	-	-	-
State sources	-	26,007	-	-	888	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	1,444	26,007	-	-	888	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	2,400	-	-	1,500	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,400	-	-	1,500	-	-
Excess (deficiency) of receipts over disbursements	(956)	26,007	-	(1,500)	888	-
Other financing sources (uses):						
Transfers in	-	-	-	1,500	-	-
Transfers out	-	-	(1,500)	-	-	-
Total other financing sources (uses)	-	-	(1,500)	1,500	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(956)	26,007	(1,500)	-	888	-
Cash and investments - beginning	2,400	-	1,500	-	4,561	2,004
Cash and investments - ending	\$ 1,444	\$ 26,007	\$ -	\$ -	\$ 5,449	\$ 2,004
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,444	\$ 26,007	\$ -	\$ -	\$ 5,449	\$ 2,004
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,444	\$ 26,007	\$ -	\$ -	\$ 5,449	\$ 2,004
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,444	26,007	-	-	5,449	2,004
Total cash and investment fund balance - ending	\$ 1,444	\$ 26,007	\$ -	\$ -	\$ 5,449	\$ 2,004

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FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	ECESCS* Gifted/Talented 05-06	ECESCS* Early Education Literacy Initiative	ECESCS* Gifted/Talented 06-07	ECESCS* Early Education	ECESCS* Special Education 04-05	ECESCS* Gifted/Talented 02-03
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	13,303	-	37,210	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	13,303	-	37,210	-	-	-
Disbursements:						
Current:						
Instruction	30,828	-	-	-	-	15,034
Support services	-	1,905	3,800	-	16,107	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	30,828	1,905	3,800	-	16,107	15,034
Excess (deficiency) of receipts over disbursements	(17,525)	(1,905)	33,410	-	(16,107)	(15,034)
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	(17,525)	(1,905)	33,410	-	(16,107)	(15,034)
Cash and investments - beginning	17,525	40,000	-	66,667	16,107	26,932
Cash and investments - ending	\$ -	\$ 38,095	\$ 33,410	\$ 66,667	\$ -	\$ 11,898
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 38,095	\$ 33,410	\$ 66,667	\$ -	\$ 11,898
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 38,095	\$ 33,410	\$ 66,667	\$ -	\$ 11,898
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	38,095	33,410	66,667	-	11,898
Total cash and investment fund balance - ending	\$ -	\$ 38,095	\$ 33,410	\$ 66,667	\$ -	\$ 11,898

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FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	ECESCS* Language Proficiency	Teacher Fellow Grant	ECESCS* Gifted/Talented 04-05	Economic Education 04-05	Economic Education 05-06	Gifted/Talented 04-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	2,500	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	-	-	2,500	-
Disbursements:						
Current:						
Instruction	-	47,578	20,623	295	2,500	11,590
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	47,578	20,623	295	2,500	11,590
Excess (deficiency) of receipts over disbursements	-	(47,578)	(20,623)	(295)	-	(11,590)
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	-	(47,578)	(20,623)	(295)	-	(11,590)
Cash and investments - beginning	72,000	47,578	20,623	295	-	11,590
Cash and investments - ending	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	72,000	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -

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FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Gifted/Talented 05-06	Medicaid Reimbursement	Step Ahead 04-05	School Age Child Care Grant	Safe Haven 04-05	Safe Haven 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	17,590	1,799	2,058	-	-	7,082
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	17,590	1,799	2,058	-	-	7,082
Disbursements:						
Current:						
Instruction	12,633	-	-	570	1,813	2,080
Support services	-	23,928	10	-	-	-
Community services	-	-	585	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	12,633	23,928	595	570	1,813	2,080
Excess (deficiency) of receipts over disbursements	4,957	(22,129)	1,463	(570)	(1,813)	5,002
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	4,957	(22,129)	1,463	(570)	(1,813)	5,002
Cash and investments - beginning	-	26,313	(1,463)	570	1,813	-
Cash and investments - ending	<u>\$ 4,957</u>	<u>\$ 4,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,002</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,957	\$ 4,184	\$ -	\$ -	\$ -	\$ 5,002
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 4,957</u>	<u>\$ 4,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,002</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>4,957</u>	<u>4,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,002</u>
Total cash and investment fund balance - ending	<u>\$ 4,957</u>	<u>\$ 4,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,002</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Non-English Grant	Technology Fund	Computer Initiative	Connersville Holding Corporation	Collection Agency Textbook Rental	Maplewood Comprehensive School Reform 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	668	69,625	-	-	82,435	-
Federal sources	-	-	-	-	-	76,448
Sale of property, adjustments and refunds	-	-	-	-	7,628	-
Total receipts	668	69,625	-	-	90,063	76,448
Disbursements:						
Current:						
Instruction	-	-	-	-	-	24,031
Support services	-	13,099	107,086	-	-	24,384
Community services	-	-	-	-	-	5,226
Nonprogrammed charges	-	-	-	-	89,979	-
Debt services	-	-	-	50	-	-
Total disbursements	-	13,099	107,086	50	89,979	53,641
Excess (deficiency) of receipts over disbursements	668	56,526	(107,086)	(50)	84	22,807
Other financing sources (uses):						
Transfers in	-	-	-	-	-	11,246
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	11,246
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	668	56,526	(107,086)	(50)	84	34,053
Cash and investments - beginning	739	285,510	120,810	27,799	-	-
Cash and investments - ending	<u>\$ 1,407</u>	<u>\$ 342,036</u>	<u>\$ 13,724</u>	<u>\$ 27,749</u>	<u>\$ 84</u>	<u>\$ 34,053</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,407	\$ 342,036	\$ 13,724	\$ 27,749	\$ 84	\$ 34,053
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,407</u>	<u>\$ 342,036</u>	<u>\$ 13,724</u>	<u>\$ 27,749</u>	<u>\$ 84</u>	<u>\$ 34,053</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,407	342,036	13,724	27,749	84	34,053
Total cash and investment fund balance - ending	<u>\$ 1,407</u>	<u>\$ 342,036</u>	<u>\$ 13,724</u>	<u>\$ 27,749</u>	<u>\$ 84</u>	<u>\$ 34,053</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Maplewood Comprehensive School Reform 04-05	Frazeo Comprehensive School Reform 04-05	Frazeo Comprehensive School Reform 05-06	Title I 05-06	Title I 06-07	Title V 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	45,000	45,000	97,235	523,137	-	11,341
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	45,000	45,000	97,235	523,137	-	11,341
Disbursements:						
Current:						
Instruction	39,308	61,769	8,576	383,228	16,502	18,118
Support services	30,119	25,611	68,377	111,953	23,999	1,095
Community services	4,234	82	3,032	18,223	7,488	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	73,661	87,462	79,985	513,404	47,989	19,213
Excess (deficiency) of receipts over disbursements	(28,661)	(42,462)	17,250	9,733	(47,989)	(7,872)
Other financing sources (uses):						
Transfers in	-	-	15,874	27,729	-	-
Transfers out	(11,246)	(15,874)	-	-	(27,729)	-
Total other financing sources (uses)	(11,246)	(15,874)	15,874	27,729	(27,729)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(39,907)	(58,336)	33,124	37,462	(75,718)	(7,872)
Cash and investments - beginning	39,907	58,336	-	-	75,718	11,341
Cash and investments - ending	\$ -	\$ -	\$ 33,124	\$ 37,462	\$ -	\$ 3,469
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 33,124	\$ 37,462	\$ -	\$ 3,469
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 33,124	\$ 37,462	\$ -	\$ 3,469
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	33,124	37,462	-	3,469
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 33,124	\$ 37,462	\$ -	\$ 3,469

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title V 06-07	Special Education Preschool 05-06	Special Education Sliver 05-06	Special Education Sliver 04-05	Special Education Preschool 04-05	Special Education Part B Carryover 04-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	80,841	26,401	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	80,841	26,401	-	-	-
Disbursements:						
Current:						
Instruction	7,428	8,116	25,761	946	535	64,000
Support services	-	65,993	-	-	13,391	73,371
Community services	-	-	-	-	-	-
Nonprogrammed charges	549	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	7,977	74,109	25,761	946	13,926	137,371
Excess (deficiency) of receipts over disbursements	(7,977)	6,732	640	(946)	(13,926)	(137,371)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	137,371
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	137,371
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,977)	6,732	640	(946)	(13,926)	-
Cash and investments - beginning	7,977	-	-	946	13,926	-
Cash and investments - ending	\$ -	\$ 6,732	\$ 640	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 6,732	\$ 640	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 6,732	\$ 640	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,732	640	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 6,732	\$ 640	\$ -	\$ -	\$ -

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Special Education Part B 04-05	Special Education Part B 05-06	Fayette County School Corporation Special Education Part B 05-06	IMPACT	Adult Basic Education Outreach 05-06	Adult Basic Education Comprehensive 04-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	384,054	1,422,850	-	-	28,000	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>384,054</u>	<u>1,422,850</u>	<u>-</u>	<u>-</u>	<u>28,000</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	98,844	306,436	468,510	-	15,585	15,069
Support services	126,734	519,072	233,277	-	6,876	3,235
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>225,578</u>	<u>825,508</u>	<u>701,787</u>	<u>-</u>	<u>22,461</u>	<u>18,304</u>
Excess (deficiency) of receipts over disbursements	<u>158,476</u>	<u>597,342</u>	<u>(701,787)</u>	<u>-</u>	<u>5,539</u>	<u>(18,304)</u>
Other financing sources (uses):						
Transfers in	-	-	239,791	-	-	-
Transfers out	<u>(137,371)</u>	<u>(239,791)</u>	<u>-</u>	<u>(8,360)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(137,371)</u>	<u>(239,791)</u>	<u>239,791</u>	<u>(8,360)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,105	357,551	(461,996)	(8,360)	5,539	(18,304)
Cash and investments - beginning	<u>(21,105)</u>	<u>-</u>	<u>-</u>	<u>8,360</u>	<u>-</u>	<u>18,304</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 357,551</u>	<u>\$ (461,996)</u>	<u>\$ -</u>	<u>\$ 5,539</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 357,551	\$ (461,996)	\$ -	\$ 5,539	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 357,551</u>	<u>\$ (461,996)</u>	<u>\$ -</u>	<u>\$ 5,539</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	357,551	(461,996)	-	5,539	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 357,551</u>	<u>\$ (461,996)</u>	<u>\$ -</u>	<u>\$ 5,539</u>	<u>\$ -</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Adult Basic Education Comprehensive 05-06	Workforce Literacy	Adult Education Corporate Training	Adult Education Corporate Training - Roots Grant - Certified Nursing	Safe and Drug Free 06-07	Safe and Drug Free 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ (12,987)	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	103,654	-	-	-	-	20,780
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	103,654	-	(12,987)	-	-	20,780
Disbursements:						
Current:						
Instruction	61,344	14,012	13,903	-	19,835	20,210
Support services	34,177	-	1,413	-	667	983
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	95,521	14,012	15,316	-	20,502	21,193
Excess (deficiency) of receipts over disbursements	8,133	(14,012)	(28,303)	-	(20,502)	(413)
Other financing sources (uses):						
Transfers in	-	-	12,231	-	10,000	20,000
Transfers out	-	-	-	(3,871)	(20,000)	(10,000)
Total other financing sources (uses)	-	-	12,231	(3,871)	(10,000)	10,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,133	(14,012)	(16,072)	(3,871)	(30,502)	9,587
Cash and investments - beginning	-	14,012	42,497	3,871	30,502	16,308
Cash and investments - ending	\$ 8,133	\$ -	\$ 26,425	\$ -	\$ -	\$ 25,895
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,133	\$ -	\$ 26,425	\$ -	\$ -	\$ 25,895
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 8,133	\$ -	\$ 26,425	\$ -	\$ -	\$ 25,895
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,133	-	26,425	-	-	25,895
Total cash and investment fund balance - ending	\$ 8,133	\$ -	\$ 26,425	\$ -	\$ -	\$ 25,895

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Whitwater Technical Career Center Perkins 05-06	Whitwater Technical Career Center Perkins 06-07	Even Start 05-06	Even Start 04-05	Federal Medicaid Reimbursement	Head Start 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	149,307	51,539	137,000	-	3,035	933,861
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	149,307	51,539	137,000	-	3,035	933,861
Disbursements:						
Current:						
Instruction	100,021	8,375	47,875	7,460	7,008	-
Support services	97,805	858	74,489	11,582	15,011	214,222
Community services	-	-	408	955	-	-
Nonprogrammed charges	-	-	-	-	-	783,398
Debt services	-	-	-	-	-	-
Total disbursements	197,826	9,233	122,772	19,997	22,019	997,620
Excess (deficiency) of receipts over disbursements	(48,519)	42,306	14,228	(19,997)	(18,984)	(63,759)
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	(48,519)	42,306	14,228	(19,997)	(18,984)	(63,759)
Cash and investments - beginning	-	(42,306)	-	19,997	63,123	-
Cash and investments - ending	\$ (48,519)	\$ -	\$ 14,228	\$ -	\$ 44,139	\$ (63,759)
Cash and Investment Assets - Ending						
Cash and investments	\$ (48,519)	\$ -	\$ 14,228	\$ -	\$ 44,139	\$ (63,759)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (48,519)	\$ -	\$ 14,228	\$ -	\$ 44,139	\$ (63,759)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(48,519)	-	14,228	-	44,139	(63,759)
Total cash and investment fund balance - ending	\$ (48,519)	\$ -	\$ 14,228	\$ -	\$ 44,139	\$ (63,759)

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Even Start 06-07	Title II Part A 2003	Title II Part A 2004	Title II Part D 05-06	Title II Part D Technology	Title II East Central Library
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	108,877	24,825	166,724	13,137	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>108,877</u>	<u>24,825</u>	<u>166,724</u>	<u>13,137</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	32,854	106,284	-	1,025	71
Support services	23,776	9,470	40,395	4,419	8,545	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	90,670	-	-	-	258	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>114,446</u>	<u>42,324</u>	<u>146,679</u>	<u>4,419</u>	<u>9,828</u>	<u>71</u>
Excess (deficiency) of receipts over disbursements	<u>(5,569)</u>	<u>(17,499)</u>	<u>20,045</u>	<u>8,718</u>	<u>(9,828)</u>	<u>(71)</u>
Other financing sources (uses):						
Transfers in	-	20,000	10,000	-	-	-
Transfers out	-	(10,000)	(20,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,569)</u>	<u>(7,499)</u>	<u>10,045</u>	<u>8,718</u>	<u>(9,828)</u>	<u>(71)</u>
Cash and investments - beginning	<u>5,569</u>	<u>7,499</u>	<u>12,200</u>	<u>-</u>	<u>9,828</u>	<u>71</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,245</u>	<u>\$ 8,718</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 22,245	\$ 8,718	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,245</u>	<u>\$ 8,718</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	22,245	8,718	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,245</u>	<u>\$ 8,718</u>	<u>\$ -</u>	<u>\$ -</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	ECESC* Title III Limited English Proficiency 05-06	Title II Part B Math/Science	ECESC* DIBELS Training 05-06	Qualified Zone Academy Bond	Retirement/ Severance Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 227,905	\$ 1,894,848
Intermediate sources	-	-	-	-	-	1,444
State sources	-	-	-	-	-	801,336
Federal sources	17,945	92,480	5,000	-	-	5,282,340
Sale of property, adjustments and refunds	-	-	-	-	-	389,242
Total receipts	17,945	92,480	5,000	-	227,905	8,369,210
Disbursements:						
Current:						
Instruction	-	-	-	-	-	2,306,124
Support services	17,945	29,710	5,000	-	-	5,266,903
Community services	-	-	-	-	-	235,466
Nonprogrammed charges	-	-	-	-	-	968,754
Debt services	-	-	-	-	324,291	324,341
Total disbursements	17,945	29,710	5,000	-	324,291	9,101,588
Excess (deficiency) of receipts over disbursements	-	62,770	-	-	(96,386)	(732,378)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,071,516
Transfers out	-	-	-	-	(6,206)	(512,713)
Total other financing sources (uses)	-	-	-	-	(6,206)	558,803
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	62,770	-	-	(102,592)	(173,575)
Cash and investments - beginning	-	-	-	905,359	102,987	3,592,277
Cash and investments - ending	\$ -	\$ 62,770	\$ -	\$ 905,359	\$ 395	\$ 3,418,702
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 62,770	\$ -	\$ -	\$ -	\$ 2,512,948
Restricted assets:						
Cash and investments	-	-	-	905,359	395	905,754
Total cash and investment assets - ending	\$ -	\$ 62,770	\$ -	\$ 905,359	\$ 395	\$ 3,418,702
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 905,359	\$ 395	\$ 905,754
Unrestricted	-	62,770	-	-	-	2,512,948
Total cash and investment fund balance - ending	\$ -	\$ 62,770	\$ -	\$ 905,359	\$ 395	\$ 3,418,702

*The abbreviation ECESC refers to the East Central Education Service Center.

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

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Centerville- Fayette-Rush Special Education Consortium	Whitewater Technical Capital Outlay	ECESC*
Receipts:							
Local sources	\$ 15,808	\$ 711,141	\$ 222,640	\$ -	\$ 103,599	\$ -	\$ 358,472
Intermediate sources	-	-	-	-	-	-	-
State sources	148,223	15,369	176,860	-	1,485	-	248,960
Federal sources	-	902,222	-	-	-	-	-
Sale of property, adjustments and refunds	-	8,072	16,519	-	80	-	21,337
Total receipts	164,031	1,636,804	416,019	-	105,164	-	628,769
Disbursements:							
Current:							
Instruction	194,259	-	-	-	-	-	-
Support services	30,216	1,488,496	282,494	-	-	244,536	489,744
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	566,219
Debt services	-	-	-	-	-	-	-
Total disbursements	224,475	1,488,496	282,494	-	-	244,536	1,055,963
Excess (deficiency) of receipts over disbursements	(60,444)	148,308	133,525	-	105,164	(244,536)	(427,194)
Other financing sources (uses):							
Transfers in	-	-	-	-	38,553	170,000	-
Transfers out	-	-	(85,634)	(395,775)	-	-	(4,359)
Total other financing sources (uses)	-	-	(85,634)	(395,775)	38,553	170,000	(4,359)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(60,444)	148,308	47,891	(395,775)	143,717	(74,536)	(431,553)
Cash and investments - beginning	257,560	186,330	286,793	395,775	63,741	(10,071)	431,553
Cash and investments - ending	\$ 197,116	\$ 334,638	\$ 334,684	\$ -	\$ 207,458	\$ (84,607)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 197,116	\$ 334,638	\$ 334,684	\$ -	\$ 207,458	\$ (84,607)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 197,116	\$ 334,638	\$ 334,684	\$ -	\$ 207,458	\$ (84,607)	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	197,116	334,638	334,684	-	207,458	(84,607)	-
Total cash and investment fund balance - ending	\$ 197,116	\$ 334,638	\$ 334,684	\$ -	\$ 207,458	\$ (84,607)	\$ -

*The abbreviation ECESC refers to the East Central Education Service Center.

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

	ECESC* Joint Services	ECESC* Natural Gas Coop	ECESC* Repair Services	ECESC* Insurance Pooling	ECESC* Insurance Association	ECESC* Health	ECESC* Health Grant
Receipts:							
Local sources	\$ -	\$ 38,878	\$ 10,301	\$ 3,750	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	2,700
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	132,935	-	-	-	28,170	65,526	-
Total receipts	132,935	38,878	10,301	3,750	28,170	65,526	2,700
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	72,625	37,042	15,990	-	29,316	61,234	75
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	98,341	3,439	-	16,250	24,111	-	2,625
Debt services	-	-	-	-	-	-	-
Total disbursements	170,966	40,481	15,990	16,250	53,427	61,234	2,700
Excess (deficiency) of receipts over disbursements	(38,031)	(1,603)	(5,689)	(12,500)	(25,257)	4,292	-
Other financing sources (uses):							
Transfers in	12,500	12,500	4,359	12,500	-	-	-
Transfers out	(25,000)	(12,500)	-	-	-	-	-
Total other financing sources (uses)	(12,500)	-	4,359	12,500	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,531)	(1,603)	(1,330)	-	(25,257)	4,292	-
Cash and investments - beginning	50,531	1,603	1,330	-	25,257	254	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,546	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,546	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,546	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	4,546	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,546	\$ -

*The abbreviation ECESC refers to the East Central Education Service Center.

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

	Magic Moments Capital Improvements	Education License Plates	Alternative Education	Safe Haven 06-07	Early Intervention	Even Start Dollar General Grant	Even Start Fayette Co. Foundation Grant
Receipts:							
Local sources	\$ 252,292	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 1,193
Intermediate sources	-	-	-	-	-	-	-
State sources	39,854	-	9,309	-	6,500	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	80	-	-	-	-	-	-
Total receipts	292,226	-	9,309	-	6,500	10,000	1,193
Disbursements:							
Current:							
Instruction	-	-	-	35	-	-	-
Support services	95,029	-	-	-	6,500	-	-
Community services	201,877	-	-	-	-	-	315
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	296,906	-	-	35	6,500	-	315
Excess (deficiency) of receipts over disbursements	(4,680)	-	9,309	(35)	-	10,000	878
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	(4,680)	-	9,309	(35)	-	10,000	878
Cash and investments - beginning	49,326	1,444	26,007	-	-	-	-
Cash and investments - ending	\$ 44,646	\$ 1,444	\$ 35,316	\$ (35)	\$ -	\$ 10,000	\$ 878
Cash and Investment Assets - Ending							
Cash and investments	\$ 44,646	\$ 1,444	\$ 35,316	\$ (35)	\$ -	\$ 10,000	\$ 878
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 44,646	\$ 1,444	\$ 35,316	\$ (35)	\$ -	\$ 10,000	\$ 878
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	44,646	1,444	35,316	(35)	-	10,000	878
Total cash and investment fund balance - ending	\$ 44,646	\$ 1,444	\$ 35,316	\$ (35)	\$ -	\$ 10,000	\$ 878

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

	Grandview Walmart Grant	ECESC* Technology	ECESC* National Board	ECESC* Early Education Literacy Initiative	ECESC* Gifted/Talented 06-07	ECESC* Early Education
Receipts:						
Local sources	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	627	-	-	6,118	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	250	627	-	-	6,118	-
Disbursements:						
Current:						
Instruction	250	-	-	-	10,067	-
Support services	-	-	-	5,000	-	32,218
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	6,076	2,004	33,095	29,461	34,449
Debt services	-	-	-	-	-	-
Total disbursements	250	6,076	2,004	38,095	39,528	66,667
Excess (deficiency) of receipts over disbursements	-	(5,449)	(2,004)	(38,095)	(33,410)	(66,667)
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	-	(5,449)	(2,004)	(38,095)	(33,410)	(66,667)
Cash and investments - beginning	-	5,449	2,004	38,095	33,410	66,667
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	ECESC* Gifted/Talented 02-03	ECESC* Language Proficiency	Teacher Fellow Grant	Connersville High School National Governor's Association Grant	Gifted/Talented 05-06	Medicaid Reimbursement
Receipts:						
Local sources	\$ -	\$ -	\$ 71,734	\$ 50,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	17,590	6,699
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	71,734	50,000	17,590	6,699
Disbursements:						
Current:						
Instruction	317	-	-	-	4,957	-
Support services	-	-	-	34	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	11,581	72,000	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	11,898	72,000	-	34	4,957	-
Excess (deficiency) of receipts over disbursements	(11,898)	(72,000)	71,734	49,966	12,633	6,699
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(17,590)	-
Total other financing sources (uses)	-	-	-	-	(17,590)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,898)	(72,000)	71,734	49,966	(4,957)	6,699
Cash and investments - beginning	11,898	72,000	-	-	4,957	4,184
Cash and investments - ending	\$ -	\$ -	\$ 71,734	\$ 49,966	\$ -	\$ 10,883
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 71,734	\$ 49,966	\$ -	\$ 10,883
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 71,734	\$ 49,966	\$ -	\$ 10,883
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	71,734	49,966	-	10,883
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 71,734	\$ 49,966	\$ -	\$ 10,883

*The abbreviation ECESC refers to the East Central Education Service Center.

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

	Safe Haven 05-06	Non-English Grant	Technology Fund	Buddy Project	Technology Planning Grant	1-1 Computing Initiative
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	1	156	65,614	1,600	133,824	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	1	156	65,614	1,600	133,824	-
Disbursements:						
Current:						
Instruction	5,003	-	-	-	-	-
Support services	-	-	57	-	49,295	6,715
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	5,003	-	57	-	49,295	6,715
Excess (deficiency) of receipts over disbursements	(5,002)	156	65,557	1,600	84,529	(6,715)
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	(5,002)	156	65,557	1,600	84,529	(6,715)
Cash and investments - beginning	5,002	1,407	342,036	-	-	13,724
Cash and investments - ending	\$ -	\$ 1,563	\$ 407,593	\$ 1,600	\$ 84,529	\$ 7,009
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,563	\$ 407,593	\$ 1,600	\$ 84,529	\$ 7,009
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,563	\$ 407,593	\$ 1,600	\$ 84,529	\$ 7,009
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,563	407,593	1,600	84,529	7,009
Total cash and investment fund balance - ending	\$ -	\$ 1,563	\$ 407,593	\$ 1,600	\$ 84,529	\$ 7,009

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

	Connersville Holding Corporation	Connersville Middle School Economic Education Grant	Connersville Middle School Economic Education Grant 06-07	Collection Agency Textbook Rental	Title I Grandview Improvement	Title I Maplewood Improvement
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	875	-	-	-
Federal sources	-	-	-	-	17,004	19,190
Sale of property, adjustments and refunds	-	-	-	6,525	-	-
Total receipts	-	-	875	6,525	17,004	19,190
Disbursements:						
Current:						
Instruction	-	7,946	875	-	12,200	13,359
Support services	-	-	-	-	102	3,214
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	92,243	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	7,946	875	92,243	12,302	16,573
Excess (deficiency) of receipts over disbursements	-	(7,946)	-	(85,718)	4,702	2,617
Other financing sources (uses):						
Transfers in	-	17,590	-	85,634	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	17,590	-	85,634	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	9,644	-	(84)	4,702	2,617
Cash and investments - beginning	27,749	-	-	84	-	-
Cash and investments - ending	\$ 27,749	\$ 9,644	\$ -	\$ -	\$ 4,702	\$ 2,617
Cash and Investment Assets - Ending						
Cash and investments	\$ 27,749	\$ 9,644	\$ -	\$ -	\$ 4,702	\$ 2,617
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 27,749	\$ 9,644	\$ -	\$ -	\$ 4,702	\$ 2,617
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,749	9,644	-	-	4,702	2,617
Total cash and investment fund balance - ending	\$ 27,749	\$ 9,644	\$ -	\$ -	\$ 4,702	\$ 2,617

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

	Maplewood Comprehensive School Reform 05-06	Frazees Comprehensive School Reform 05-06	Title I 05-06	Title I 06-07	Title V 05-06	Title V 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	55,000	555,362	-	14,432
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	55,000	555,362	-	14,432
Disbursements:						
Current:						
Instruction	28,173	15,068	21,010	310,771	2,920	6,026
Support services	3,731	16,442	15,375	194,820	-	-
Community services	2,149	1,614	5,677	17,111	-	-
Nonprogrammed charges	-	-	-	-	549	-
Debt services	-	-	-	-	-	-
Total disbursements	34,053	33,124	42,062	522,702	3,469	6,026
Excess (deficiency) of receipts over disbursements	(34,053)	(33,124)	12,938	32,660	(3,469)	8,406
Other financing sources (uses):						
Transfers in	-	-	-	50,400	-	-
Transfers out	-	-	(50,400)	-	-	-
Total other financing sources (uses)	-	-	(50,400)	50,400	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,053)	(33,124)	(37,462)	83,060	(3,469)	8,406
Cash and investments - beginning	34,053	33,124	37,462	-	3,469	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 83,060	\$ -	\$ 8,406
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 83,060	\$ -	\$ 8,406
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 83,060	\$ -	\$ 8,406
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	83,060	-	8,406
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 83,060	\$ -	\$ 8,406

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

	Special Education IDEA Part B 06-07	Fayette County Share Special Education IDEA Part B 06-07 FC Share	Centerville- Fayette-Rush Part B Carryover 05-06	Special Education Preschool 05-06	Special Education Preschool 06-07	Special Education Sliver 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,301,600	-	-	7,357	59,400	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	1,301,600	-	-	7,357	59,400	-
Disbursements:						
Current:						
Instruction	290,570	402,216	48,726	-	2,819	640
Support services	453,355	253,734	93,007	14,089	66,849	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	743,925	655,950	141,733	14,089	69,668	640
Excess (deficiency) of receipts over disbursements	557,675	(655,950)	(141,733)	(6,732)	(10,268)	(640)
Other financing sources (uses):						
Transfers in	172,358	-	172,358	-	-	-
Transfers out	(172,358)	-	-	-	-	-
Total other financing sources (uses)	-	-	172,358	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	557,675	(655,950)	30,625	(6,732)	(10,268)	(640)
Cash and investments - beginning	-	-	-	6,732	-	640
Cash and investments - ending	\$ 557,675	\$ (655,950)	\$ 30,625	\$ -	\$ (10,268)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 557,675	\$ (655,950)	\$ 30,625	\$ -	\$ (10,268)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 557,675	\$ (655,950)	\$ 30,625	\$ -	\$ (10,268)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	557,675	(655,950)	30,625	-	(10,268)	-
Total cash and investment fund balance - ending	\$ 557,675	\$ (655,950)	\$ 30,625	\$ -	\$ (10,268)	\$ -

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

	Special Education Part B 05-06	Fayette County School Coporation Special Education Part B 05-06	Whitewater Technical Career Center Adult Basic Education 06-07 Outreach	Adult Basic Education Outreach 05-06	Adult Basic Education Comprehensive 04-05	Adult Basic Education Comprehensive 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	556,863	-	28,000	-	113,726	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>556,863</u>	<u>-</u>	<u>28,000</u>	<u>-</u>	<u>113,726</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	50,636	75,037	15,369	4,176	51,999	4,014
Support services	117,835	36,552	9,333	1,363	49,220	4,119
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>168,471</u>	<u>111,589</u>	<u>24,702</u>	<u>5,539</u>	<u>101,219</u>	<u>8,133</u>
Excess (deficiency) of receipts over disbursements	<u>388,392</u>	<u>(111,589)</u>	<u>3,298</u>	<u>(5,539)</u>	<u>12,507</u>	<u>(8,133)</u>
Other financing sources (uses):						
Transfers in	-	573,585	-	-	-	-
Transfers out	(745,943)	-	-	-	-	-
Total other financing sources (uses)	<u>(745,943)</u>	<u>573,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(357,551)</u>	<u>461,996</u>	<u>3,298</u>	<u>(5,539)</u>	<u>12,507</u>	<u>(8,133)</u>
Cash and investments - beginning	<u>357,551</u>	<u>(461,996)</u>	<u>-</u>	<u>5,539</u>	<u>-</u>	<u>8,133</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,298</u>	<u>\$ -</u>	<u>\$ 12,507</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 3,298	\$ -	\$ 12,507	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,298</u>	<u>\$ -</u>	<u>\$ 12,507</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	3,298	-	12,507	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,298</u>	<u>\$ -</u>	<u>\$ 12,507</u>	<u>\$ -</u>

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

	Adult Education Corporate Training	Safe and Drug Free 06-07	Safe and Drug Free 05-06	Whitewater Technical Career Center Perkins 05-06	Whitewater Technical Career Center Perkins 06-07	Even Start 05-06
Receipts:						
Local sources	\$ 22,708	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	19,030	-	49,496	142,804	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	22,708	19,030	-	49,496	142,804	-
Disbursements:						
Current:						
Instruction	23,896	19,076	9,451	-	76,455	5,711
Support services	1,097	2,464	136	977	101,923	8,517
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	16,308	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	24,993	21,540	25,895	977	178,378	14,228
Excess (deficiency) of receipts over disbursements	(2,285)	(2,510)	(25,895)	48,519	(35,574)	(14,228)
Other financing sources (uses):						
Transfers in	-	10,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	10,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,285)	7,490	(25,895)	48,519	(35,574)	(14,228)
Cash and investments - beginning	26,425	-	25,895	(48,519)	-	14,228
Cash and investments - ending	\$ 24,140	\$ 7,490	\$ -	\$ -	\$ (35,574)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 24,140	\$ 7,490	\$ -	\$ -	\$ (35,574)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 24,140	\$ 7,490	\$ -	\$ -	\$ (35,574)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	24,140	7,490	-	-	(35,574)	-
Total cash and investment fund balance - ending	\$ 24,140	\$ 7,490	\$ -	\$ -	\$ (35,574)	\$ -

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

	Federal Medicaid Reimbursement	Head Start 05-06	Even Start 06-07	Connersville High School Project Lead The Way	Connersville High School Library Services Technology Act Mini-Grant	Head Start 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	11,351	170,212	116,300	3,621	-	1,026,447
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	11,351	170,212	116,300	3,621	-	1,026,447
Disbursements:						
Current:						
Instruction	6,297	-	42,564	6,518	-	756,553
Support services	24,555	26,767	59,399	-	3,197	133,685
Community services	-	-	262	-	-	-
Nonprogrammed charges	83	79,686	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	30,935	106,453	102,225	6,518	3,197	890,238
Excess (deficiency) of receipts over disbursements	(19,584)	63,759	14,075	(2,897)	(3,197)	136,209
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(411)	-	-	-	-	-
Total other financing sources (uses)	(411)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,995)	63,759	14,075	(2,897)	(3,197)	136,209
Cash and investments - beginning	44,139	(63,759)	-	-	-	-
Cash and investments - ending	\$ 24,144	\$ -	\$ 14,075	\$ (2,897)	\$ (3,197)	\$ 136,209
Cash and Investment Assets - Ending						
Cash and investments	\$ 24,144	\$ -	\$ 14,075	\$ (2,897)	\$ (3,197)	\$ 136,209
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 24,144	\$ -	\$ 14,075	\$ (2,897)	\$ (3,197)	\$ 136,209
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	24,144	-	14,075	(2,897)	(3,197)	136,209
Total cash and investment fund balance - ending	\$ 24,144	\$ -	\$ 14,075	\$ (2,897)	\$ (3,197)	\$ 136,209

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

	Head Start 07-08	Title II Part A 2004	Title II Part D 05-06	Title II Part B Math/Science	Title II D Education Technology In Access	Title II Part D Technology 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,400	24,400	-	76,613	172,870	8,233
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	2,400	24,400	-	76,613	172,870	8,233
Disbursements:						
Current:						
Instruction	255	45,735	-	-	-	-
Support services	-	910	8,324	62,386	145,804	5,743
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	394	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	255	46,645	8,718	62,386	145,804	5,743
Excess (deficiency) of receipts over disbursements	2,145	(22,245)	(8,718)	14,227	27,066	2,490
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	2,145	(22,245)	(8,718)	14,227	27,066	2,490
Cash and investments - beginning	-	22,245	8,718	62,770	-	-
Cash and investments - ending	\$ 2,145	\$ -	\$ -	\$ 76,997	\$ 27,066	\$ 2,490
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,145	\$ -	\$ -	\$ 76,997	\$ 27,066	\$ 2,490
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,145	\$ -	\$ -	\$ 76,997	\$ 27,066	\$ 2,490
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,145	-	-	76,997	27,066	2,490
Total cash and investment fund balance - ending	\$ 2,145	\$ -	\$ -	\$ 76,997	\$ 27,066	\$ 2,490

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

	Title II Part A Teacher 06-07	ECESC* Title III Limited English Proficiency 06-07	Qualified Zone Academy Bond	Retirement/ Severance Bond Debt Service	Indiana Drinking Water State Revolving Loan Fund Grant	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 146,322	\$ -	\$ 2,019,088
Intermediate sources	-	-	-	-	-	2,700
State sources	-	-	-	-	51,202	930,866
Federal sources	173,000	39,825	-	-	-	5,666,758
Sale of property, adjustments and refunds	-	-	-	-	-	279,244
Total receipts	173,000	39,825	-	146,322	51,202	8,898,656
Disbursements:						
Current:						
Instruction	125,427	-	-	-	-	2,697,376
Support services	35,531	20	-	-	51,202	4,952,393
Community services	-	-	-	-	-	229,005
Nonprogrammed charges	-	39,805	-	-	-	1,128,719
Debt services	-	-	-	107,377	-	107,377
Total disbursements	160,958	39,825	-	107,377	51,202	9,114,870
Excess (deficiency) of receipts over disbursements	12,042	-	-	38,945	-	(216,214)
Other financing sources (uses):						
Transfers in	-	-	1,094,641	-	-	2,426,978
Transfers out	(10,000)	-	-	-	-	(1,519,970)
Total other financing sources (uses)	(10,000)	-	1,094,641	-	-	907,008
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,042	-	1,094,641	38,945	-	690,794
Cash and investments - beginning	-	-	905,359	395	-	3,418,702
Cash and investments - ending	\$ 2,042	\$ -	\$ 2,000,000	\$ 39,340	\$ -	\$ 4,109,496
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,042	\$ -	\$ -	\$ -	\$ -	\$ 2,070,156
Restricted assets:						
Cash and investments	-	-	2,000,000	39,340	-	2,039,340
Total cash and investment assets - ending	\$ 2,042	\$ -	\$ 2,000,000	\$ 39,340	\$ -	\$ 4,109,496
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 2,000,000	\$ 39,340	\$ -	\$ 2,039,340
Unrestricted	2,042	-	-	-	-	2,070,156
Total cash and investment fund balance - ending	\$ 2,042	\$ -	\$ 2,000,000	\$ 39,340	\$ -	\$ 4,109,496

*The abbreviation ECESC refers to the East Central Education Service Center.

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2006

	Retirement/ Severance Bond	Postretirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 33,546	\$ 33,546
Investment earnings:			
Interest	-	2,720	2,720
Total additions	-	36,266	36,266
Deductions:			
Benefits	200,000	4,398	204,398
Excess (deficiency) of total additions over total deductions			
	(200,000)	31,868	(168,132)
Cash and investment fund balance - beginning			
	1,777,088	90,673	1,867,761
Cash and investment fund balance - ending			
	\$ 1,577,088	\$ 122,541	\$ 1,699,629
Net assets:			
Cash and investments	\$ 1,577,088	\$ 122,541	\$ 1,699,629
Total net assets - cash and investment basis held in trust			
	\$ 1,577,088	\$ 122,541	\$ 1,699,629

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Postretirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 37,222	\$ 37,222
Deductions:			
Benefits	-	12,827	12,827
Excess of total additions over total deductions	-	24,395	24,395
Cash and investment fund balance - beginning	<u>1,577,088</u>	<u>122,541</u>	<u>1,699,629</u>
Cash and investment fund balance - ending	<u>\$ 1,577,088</u>	<u>\$ 146,936</u>	<u>\$ 1,724,024</u>
Net assets:			
Cash and investments	<u>\$ 1,577,088</u>	<u>\$ 146,936</u>	<u>\$ 1,724,024</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,577,088</u>	<u>\$ 146,936</u>	<u>\$ 1,724,024</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	<u>Partnership In Education</u>	<u>Parent Program Fayette County Foundation Grant</u>	<u>Drug Coalition</u>	<u>Fayette County Foundation Grant Centerville/ Fayette/Rushville</u>	<u>Fayette County Foundation Grant Star Literacy</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 150	\$ -	\$ -
Deductions:					
Administrative and general	<u>3,018</u>	<u>301</u>	<u>1,162</u>	<u>6,000</u>	<u>2,872</u>
Excess of total additions over total deductions	(3,018)	(301)	(1,012)	(6,000)	(2,872)
Cash and investment fund balance - beginning	<u>4,732</u>	<u>301</u>	<u>1,203</u>	<u>6,000</u>	<u>2,872</u>
Cash and Investments - June 30	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,714</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	<u>Fayette County Foundation Grant Headstart</u>	<u>Grandview REMC Grant</u>	<u>Mary Beth Memorials</u>	<u>Scholarship Fund</u>	<u>Honors Fund</u>
Additions:					
Contributions:					
Other	\$ 529	\$ 500	\$ -	\$ -	\$ -
Deductions:					
Administrative and general	4,553	967	926	61,872	38,613
Excess of total additions over total deductions	(4,024)	(467)	(926)	(61,872)	(38,613)
Cash and investment fund balance - beginning	4,024	1,394	926	61,872	38,613
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FAYETTE COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Connersville Middle School Renovations	Special Programs	Indiana Next	Parent Donation	Totals
Additions:					
Contributions:					
Other	\$ 139,924	\$ 1,838	\$ -	\$ 460	\$ 143,401
Deductions:					
Administrative and general	139,924	6,149	1,500	537	268,394
Excess of total additions over total deductions	-	(4,311)	(1,500)	(77)	(124,993)
Cash and investment fund balance - beginning	-	6,184	1,500	187	129,808
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 1,873</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 4,815</u>
Net assets:					
Cash and investments	\$ -	\$ 1,873	\$ -	\$ 110	\$ 4,815
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,873</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 4,815</u>

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

	Partnership In Education	Drug Coalition	Grandview REMC Grant	Special Programs	Parent Donation	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 56,443	\$ 335	\$ 56,778
Deductions:						
Administrative and general	578	191	927	56,772	245	58,713
Excess (deficiency) of total additions over total deductions	(578)	(191)	(927)	(329)	90	(1,935)
Cash and investment fund balance - beginning	1,714	191	927	1,873	110	4,815
Cash and Investments - June 30	<u>\$ 1,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,544</u>	<u>\$ 200</u>	<u>\$ 2,880</u>
Net assets:						
Cash and investments	\$ 1,136	\$ -	\$ -	\$ 1,544	\$ 200	\$ 2,880
Total net assets - cash and investment basis held in trust	<u>\$ 1,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,544</u>	<u>\$ 200</u>	<u>\$ 2,880</u>

FAYETTE COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2005

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 5,500
Buildings	39,851,300
Improvements other than buildings	709,286
Machinery and equipment	<u>8,646,671</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 49,212,757</u>

**FAYETTE COUNTY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT**

June 30, 2007

<u>Description of Debt</u>	<u>Ending Balance</u>	<u>Due Within One Year (Includes Interest)</u>
CAPITAL LEASES:		
Multi-School Project 1998	\$ 3,280,000.00	\$ 538,740.00
Middle School Project 2002	\$ 13,390,000.00	\$ 1,031,000.00
BONDS PAYABLE:		
General Obligation Bonds		
Pension Bonds - Retirement and Severance Payments	\$ 1,895,000.00	\$ 216,508.00
Qualified Zone Academy Bonds	\$ 2,000,000.00	\$ -

FAYETTE COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping for school lunch receipts were noted. A similar comment was in prior Report B27130.

There were a considerable number of posting errors. The errors included school lunch receipts not recorded in the proper amounts, lunch receipts classified as breakfast and breakfast receipts under lunch receipts code.

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)

TRANSPORTATION OPERATING FUND – TAX ANTICIPATION WARRANT PAYMENTS

Funds were disbursed from Transportation Operating Fund for a partial payment of a tax anticipation warrant due from Bus Replacement Fund.

Indiana Code 20-48-1-9 states in part:

"(a) If the governing body of a school corporation finds and declares that an emergency exists to borrow money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for the fund, the governing body may issue warrants in anticipation of the receipt of the revenues.

(b) The principal of warrants issued under subsection (a) is payable solely from the fund for which the taxes are levied or from the school corporation's general fund in the case of anticipated state tuition support distributions. However, the interest on the warrants may be paid from the debt service fund, from the fund for which the taxes are levied, or the general fund in the case of anticipated state tuition support distributions."

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balances of the Whitewater Technical Capital Outlay Fund, Whitewater Technical Career Center Perkins 05-06 Fund, Head Start 05-06 and Fayette County School Corporation Special Education Part B 05-06 Fund was overdrawn in 2005-2006. The cash balances of the Debt Service Fund, Whitewater Technical Capital Outlay Fund, Safe Haven 06-07 Fund, Fayette County Share Special Education IDEA Part B 06-07, Special Education Preschool 06-07, Connersville High School Project Lead the Way, and Connersville High School Library Services Technology Act Mini-Grant were overdrawn in 2006-2007.

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)

FAYETTE COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSET RECORDS

The Schedule of Capital Assets presented in the report is the same as in the prior report, dated June 30, 2005, and was not updated during the current audit period.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TIMELY BANK RECONCILEMENTS

The School Corporation has not prepared bank reconcilements timely. The June 2007 bank reconciliation was not completed until January 7, 2008. The June 2007 bank reconciliation, as presented for audit, contained unidentified differences totaling \$9,218. Subsequent bank reconcilements for the remainder of 2007 were not prepared as of January 7, 2008.

A similar comment appeared in the prior Report B27130.

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."

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, 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 Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE COUNTY, INDIANA

Compliance

We have audited the compliance of the Fayette County School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 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.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the years ended June 30, 2006 and 2007.

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)

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.

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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan and Official Response section of the report. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, the school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 10, 2008

FAYETTE COUNTY SCHOOL CORPORATION
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		\$ 193,033	\$ 295,120
National School Lunch Program	10.555		<u>572,205</u>	<u>744,746</u>
Total for federal grantor agency/Total for cluster			<u>765,238</u>	<u>1,039,866</u>
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>				
Pass-Through Indiana State Library				
Grants to States	45.310	06-1-1	-	<u>3,197</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to State	84.027			
		14205-068-DY01	25,761	640
		14205-071-SN01	946	-
		14205-071-PY02	137,371	-
		14205-071-PN01	358,971	-
		14206-071-PN01	1,767,839	1,025,250
		14206-071-PY02	-	141,733
		14207-071-PN01	-	<u>1,574,878</u>
Total for program			<u>2,290,888</u>	<u>2,742,501</u>
Special Education - Preschool Grants	84.173			
		45705-071-PN01	13,909	-
		45706-071-PN01	74,109	14,089
		45707-071-PN01	-	<u>69,713</u>
Total for program			<u>88,018</u>	<u>83,802</u>
Total for cluster			<u>2,378,906</u>	<u>2,826,303</u>
Adult Education - State Grant Program	84.002			
		05-8010	1,952	114,247
		06-8010	103,654	-
		FY2006-8121	28,000	-
		FY2007-8121	-	<u>28,350</u>
Total for program			<u>133,606</u>	<u>142,597</u>
Title I Grants to Local Educational Agencies	84.010			
Title I			31,058	586,115
Title I		05-2395	555,082	50,784
Maplewood School Improvement		06-2395	-	16,934
Grandview School Improvement		07-2395	-	<u>13,929</u>
Total for program			<u>586,140</u>	<u>667,762</u>
Vocational Education - Basic Grants to States	84.048			
		06-4700-2395	198,803	1,954
		07-4700-2395	<u>14,852</u>	<u>173,419</u>
Total for program			<u>213,655</u>	<u>175,373</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
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)				
Safe and Drug Free Schools and Communities - State Grants	84.186			
		03-070	36,503	21,540
		04-238	31,420	25,668
Total for program			<u>67,923</u>	<u>47,208</u>
Even Start - State Educational Agencies	84.213			
		2005-2006	122,772	14,228
		2006-2007	-	116,533
Total for program			<u>122,772</u>	<u>130,761</u>
Tech-Prep Education	84.243			
		TP352	-	7,128
State Grants for Innovative Programs	84.298			
		03-212	-	7,424
		04-124	19,213	3,469
Total for program			<u>19,213</u>	<u>10,893</u>
Education Technology State Grants	84.318			
		02-03	9,803	-
		03-04	6,438	6,699
		S318X040014	-	149,007
		S318X050014	-	6,043
Total for program			<u>16,241</u>	<u>161,749</u>
Comprehensive School Reform Demonstration	84.332			
CSR Maplewood		CSR 2004-2005	33,403	-
CSR Frazee		CSR 2004-2005	56,508	-
CSR Maplewood		SY2005-2006 CSR	81,037	6,658
Frazee 05/06		SY2005-2006 CSR	94,153	18,955
Total for program			<u>265,101</u>	<u>25,613</u>
Reading First State Grants	84.357			
		S357A040015	5,000	-
Literacy through School Libraries	84.364			
		5318X060014	-	255
English Language Acquisition Grants	84.365			
		04-221	17,945	-
		2006-2007	-	39,825
Total for program			<u>17,945</u>	<u>39,825</u>
Mathematics and Science Partnerships	84.366			
		6000-182500	29,980	78,956

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

FAYETTE COUNTY SCHOOL CORPORATION
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)				
Improving Teacher Quality State Grants	84.367			
Title II Part A		03-179	52,324	-
Title II, Part A 04/05		04221	167,844	45,480
Title II, Part A 2006/2007		S367A050013	-	170,958
Total for program			<u>220,168</u>	<u>216,438</u>
Total for federal grantor agency			<u>4,841,888</u>	<u>5,573,924</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Grant				
Head Start	93.600			
		05-CH2000/14	1,104,073	-
		05-CH2000/15	-	1,046,372
Total for program			<u>1,104,073</u>	<u>1,046,372</u>
Total federal awards expended			<u>\$ 5,945,961</u>	<u>\$ 6,620,296</u>

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2006	2007
School Breakfast Program	10.553	\$ 13,013	\$ 23,354
National School Lunch Program	10.555	38,574	58,934

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Reportable conditions 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
Reportable conditions 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
	Special Education Cluster
84.010	Title I Grant to Local Educational Agencies
84.048	Vocational Education – Basic Grants to States
84.367	Improving Teacher Quality – State Grants

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

Auditee qualified as low-risk auditee? no

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2007-1, INTERNAL CONTROL OVER CASH RECONCILEMENTS

The School Corporation has not prepared bank reconcilements timely. The November 2005 through June 2007 bank reconcilements were not completed and presented for audit until January 7, 2008.

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.

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, 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 Indiana Public School Corporations, Chapter 9)

The failure to prepare timely bank reconcilements could cause undetected, material misstatements in the financial statements.

Controls over the bank reconciliation preparations were not sufficient to ensure the recording, processing, summarizing and reporting of financial data agrees to the bank balances in a timely manner.

Controls should be established to ensure that bank account balances and fund balances are reconciled at least monthly.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.



Fayette County School Corporation

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(03/06) form 14A

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2005-1

Original SBA Audit Report Number: B27130
Fiscal Year 2003-2005
Auditee Contact Person John Perkins
Title of Contact Person Director of Finance
Phone Number: 765-825-2178

Status of Finding:

Since the conversion of the Special Education Coop to the smaller three corporation cooperative the Business Office has complied by changing the method of calculating cash requests. Planning for reduced demand during the summer months and taking into consideration the previous expenditure history has brought us more in line with the spirit of the program. Every attempt is made to insure the cash balance in the program is at an acceptable level.

Submitted by:

John Perkins
Director of Finance

John A. Perkins
Director of Finance

Debbie S. Jobe
Deputy Treasurer

School Board
Gary Breitenbach
Mark Denzler
Carl Hylton
Stephen Kaiser
Warren Taylor
Dale Thomas
Brad Wilson



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2005-2

Original SBA Audit Report Number:	<u>B27130</u>
Fiscal Year	<u>2003-2005</u>
Auditee Contact Person	<u>John Perkins</u>
Title of Contact Person	<u>Director of Finance</u>
Phone Number	<u>765-825-2178</u>

Status of Finding:

The issue was not appealed to the U.S. Department of Education as indicated. Additional assistance and monitoring of curriculum has been implemented to oversee all efforts for individual growth, and to maintain and improve programs. Periodic fiscal reports to the awarding agencies are reviewed to track the efforts being made to maintain program effort and status. Local spending is continually monitored to reflect efforts to maximize the use of all funds for educational purposes.

Submitted by:

John Perkins
Director of Finance

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2005-3

Original SBA Audit Report Number: B27130
Fiscal Year 2003-2005
Auditee Contact Person John Perkins
Title of Contact Person Director of Finance
Phone Number: 765-825-2178

Status of Finding:

The Business Office has complied by changing the method of calculating cash requests. Planning for reduced demand during the summer months and taking into consideration the previous expenditure history has brought us more in line with the spirit of the program. Every attempt is made to insure the cash balance in the program is at an acceptable level.

Submitted by:

John Perkins
Director of Finance

John A. Perkins
Director of Finance

Debbie S. Jobe
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2005-4

Original SBA Audit Report Number: B27130
Fiscal Year 2003-2005
Auditee Contact Person John Perkins
Title of Contact Person Director of Finance
Phone Number: 765-825-2178

Status of Finding:

At this time efforts are being made to correct multiple procedural errors. The staff has made changes to accurately, and in a more timely fashion, receipt funds to the proper accounts. Due to multiple errors in both process and direction, the bank statements have not been reconciled in a timely manner. As the monthly bank statements are addressed, the office of the Director of Finance will sign off each month to further insure each bank statement has been reconciled. Since I did not arrive until November of 2006, I can only report on what is now being done and the over all direction of the department. The staff is working diligently to correct the errors of the past and to restore a solid financial accounting basis.

Submitted by:

John Perkins
Director of Finance

John A. Perkins
Director of Finance

Debbie S. Jobe
Deputy Treasurer

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March 5, 2008

FINDING NO. 2007-1, INTERNAL CONTROLS OVER CASH RECONCILEMENTS

Auditee Contact Person: John Perkins
Title of Contact Person: Director of Finance, Fayette County School Corporation
Telephone Number: 765-825-2178
Expected Completion Date: May 2008

Corrective action taken:

1. Adjustment (redistribution) of account fund balances to clearly indicate a balance for the clearing account and Bank 96. The two balances shall be equal at the end of each month. We have removed the zero balance account (ZBA) status from bank 96. This will prevent any changes within the account to happen without authorization from this office.
2. Procedures for accounting of non sufficient funds (NSF) checks in the school lunch program and the accurate accounting of daily deposits have been reviewed with changes made.
3. We are currently using "on line" banking services with 5th 3rd bank to confirm deposits, etc. which will allow us to post current monthly fees and interest earned income in the actual month it occurs thereby removing an un-posted "carry over" item each month.
4. Banking representatives have been contacted and all bank errors, fees and corrections were made prior to the end of 2007.
5. An outside consultant has been retained to provide a reconciliation study and to make recommendations on our accounting procedures. The Corporation Deputy Treasurer is utilizing the new Software System's bank reconciliation program to complete the monthly reconciliation.
6. After all ledger adjustments, bank adjustments and Board action to eliminate outdated financial instruments, monthly bank reconcilements will be handled as follows:
 - a. All bank statements will be reconciled no later than the 20th of the following month (or the next business day).
 - b. All bank reconciliation data, worksheets and statements will be in placed in separate binders for easy retrieval and audit availability. All steps must be completed before the documents can be closed and placed in the binders.
 - c. The bookkeeper who reconciles a bank account will be required to sign and date the balance sheet.
 - d. The Director of Finance shall review each reconciliation and affix his/her signature and date.
 - e. A combined bank reconciliation spread sheet shall be prepared utilizing the data from the funds ledger and bank reconcilements.

John A. Perkins
Director of Finance


3/10/08

Debbie S. Jobe
Deputy Treasurer

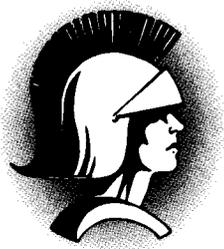
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FAYETTE COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 10, 2008, with Dr. Russell Hodges, Superintendent of Schools; Gary Breitenbach, President of the School Board; Deborah S. Jobe, Deputy Treasurer; John A. Perkins, Treasurer; and Dr. Stephen Bayer, Director of Personnel. The official response has been made a part of this report and may be found on pages 80 and 81.



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March 12, 2008

State Board of Accounts
302 Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Audit Response

Date of Exit Conference: March 10, 2008

OFFICIAL RESPONSE TO AUDIT RESULTS AND COMMENTS FOR THE PERIOD 7-1-2005 to 6-30-2007

Condition of Records

At the beginning of the 2007-08 school year the Deputy Treasurer began actively reviewing and verifying deposits on a daily basis to insure the accurate accounting of school lunch funds. Steps and procedures have been implemented to address the issue of non sufficient funds (NSF) checks and how to properly account for each item. The Deputy Treasurer has implemented guidelines with food service to establish a defined cut off time between breakfast and lunch. This procedure will eliminate questions on revenue placement and reporting will be more accurate.

Fund Sources and Uses

The Corporation acknowledges the error that occurred in June of 2006 and will repay the funds to the Transportation Operating Fund using 2008 budget appropriations. This repayment will occur prior to June 30, 2008 and will be accurately reflected on the January – June Form 9 Financial Report.

Overdrawn Cash Balances

It is always the goal of the Corporation that all funds exhibit a positive balance at all times, however, there are times when planned expenditures and

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obligations must be continued even in the face of delayed revenue. Most programs do not allow the maintaining of an operation balance and therefore there is little margin for timing issues. There is a procedure to utilize temporary transfers between funds but this presents an inflated and in-accurate fund balance. It is the intent of Fayette County Schools to accurately reflect fund balances to indicate a true financial report. At no time does the overdrawn status of certain funds indicate a financial concern nor have any adverse effect on the operations of the Corporation.

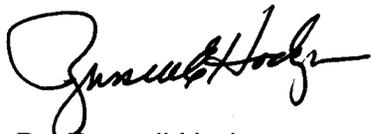
Capital Asset Records

At the present time contact has been made with the vendor that performed the service in 2005 to review the past contract and to review the requirements needed for a new proposal. Plans are currently underway to have a complete re-inventory of our capital (fixed) assets during 2008. Advanced on-line technology will enable the Corporation to more accurately follow both the addition and liquidation of assets throughout the accounting period. Consideration will be given to increasing the value threshold amount to more closely align with auditing standards.

Timely Bank Reconcilements

Because this is classified as a "finding" under the federal guidelines, a detailed corrective action plan has been implemented. Issues pertaining to timely reporting have been a concern since early in 2006 and were not properly addressed during the current audit review period. New guidelines will prevent this type of oversight and will correct the issues pertaining to this citation.

Respectfully submitted.



Dr. Russell Hodges
Superintendent



John Perkins
Director of Finance