

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

AUDIT REPORT  
OF  
CLAY COMMUNITY SCHOOLS  
CLAY COUNTY, INDIANA  
July 1, 2006 to June 30, 2008



**FILED**  
04/01/2009



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Business Affairs	Randall Burns	07-01-04 to 09-05-06
	Vacant	09-06-06 to 09-17-06
	Michael Fowler	09-18-06 to 09-17-10
Superintendent of Schools	Daniel Schroeder	07-01-06 to 06-30-12
President of the School Board	Dottie King	07-01-06 to 06-30-07
	Terry Barr	07-01-07 to 06-30-08
	Brian Atkinson	07-01-08 to 06-30-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CLAY COMMUNITY SCHOOLS, CLAY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clay Community Schools (School Corporation), as of and for the years ended June 30, 2007 and 2008, 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, 2007 and 2008, 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 18, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

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

STATE BOARD OF ACCOUNTS

March 18, 2009



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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 CLAY COMMUNITY SCHOOLS, CLAY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clay Community Schools (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management 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 18, 2009

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 22,546,652	\$ -	\$ 142,685	\$ (22,403,967)
Support services	14,115,000	1,031,806	997,741	(12,085,453)
Community services	412,723	-	-	(412,723)
Nonprogrammed charges	16,058	-	-	(16,058)
Debt service	4,520,291	-	-	(4,520,291)
Total government	\$ 41,610,724	\$ 1,031,806	\$ 1,140,426	(39,438,492)
General receipts:				
Property taxes				7,468,055
Other local sources				2,731,466
State aid				20,067,547
Bonds and loans				7,985,000
Grants and contributions not restricted to specific programs				2,460,490
Sale of property, adjustments, and refunds				81,206
Investment earnings				431,739
Total general receipts				41,225,503
Change in net assets				1,787,011
Net assets - beginning				10,447,341
Net assets - ending				\$ 12,234,352
<u>Assets</u>				
Cash and investments				\$ 11,908,420
Restricted assets:				
Cash and investments				325,932
Total assets				\$ 12,234,352
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 325,932
Unrestricted				11,908,420
Total net assets				\$ 12,234,352

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

CLAY COMMUNITY SCHOOLS  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 22,719,611	\$ -	\$ 482,348	\$ (22,237,263)
Support services	14,656,834	1,000,912	1,183,378	(12,472,544)
Community services	423,251	-	-	(423,251)
Nonprogrammed charges	43,675	-	-	(43,675)
Debt service	12,578,839	-	-	(12,578,839)
Total government	\$ 50,422,210	\$ 1,000,912	\$ 1,665,726	(47,755,572)
General receipts:				
Property taxes				13,862,558
Other local sources				3,424,890
State aid				19,568,464
Bonds and loans				7,665,000
Grants and contributions not restricted to specific programs				2,381,746
Sale of property, adjustments, and refunds				114,590
Investment earnings				358,048
Total general receipts				47,375,296
Change in net assets				(380,276)
Net assets - beginning				12,234,352
Net assets - ending				\$ 11,854,076
<u>Assets</u>				
Cash and investments				\$ 11,478,917
Restricted assets:				
Cash and investments				375,159
Total assets				\$ 11,854,076
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 375,159
Unrestricted				11,478,917
Total net assets				\$ 11,854,076

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

CLAY COMMUNITY SCHOOLS  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day Fund	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 4,404,471	\$ 1,018,346	\$ -	\$ 2,604,080	\$ 1,658,912	\$ 489,827	\$ 1,483,517	\$ 11,659,153
Intermediate sources	463	-	-	-	-	-	3,450	3,913
State sources	20,191,172	-	-	-	-	-	531,737	20,722,909
Federal sources	-	-	-	-	-	-	2,945,554	2,945,554
Bonds and loans	2,400,000	1,195,000	-	1,975,000	2,350,000	-	65,000	7,985,000
Sale of property, adjustments and refunds	14,631	19,792	-	-	26,440	-	20,343	81,206
<b>Total receipts</b>	<b>27,010,737</b>	<b>2,233,138</b>	<b>-</b>	<b>4,579,080</b>	<b>4,035,352</b>	<b>489,827</b>	<b>5,049,601</b>	<b>43,397,735</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	20,549,773	-	-	-	-	-	1,996,879	22,546,652
Support services	5,226,007	1,980,520	-	-	3,517,110	644,566	2,746,797	14,115,000
Community services	213,233	-	-	-	-	-	199,490	412,723
Nonprogrammed charges	2,765	-	-	-	-	-	13,293	16,058
Debt services	-	-	-	4,169,709	-	-	350,582	4,520,291
<b>Total disbursements</b>	<b>25,991,778</b>	<b>1,980,520</b>	<b>-</b>	<b>4,169,709</b>	<b>3,517,110</b>	<b>644,566</b>	<b>5,307,041</b>	<b>41,610,724</b>
Excess (deficiency) of receipts over disbursements	1,018,959	252,618	-	409,371	518,242	(154,739)	(257,440)	1,787,011
<b>Other financing sources (uses):</b>								
Transfers in	164,494	228,174	600,000	-	-	-	121,813	1,114,481
Transfers out	(13,957)	(3,608)	-	(501,326)	(156,025)	(252,548)	(187,017)	(1,114,481)
<b>Total other financing sources (uses)</b>	<b>150,537</b>	<b>224,566</b>	<b>600,000</b>	<b>(501,326)</b>	<b>(156,025)</b>	<b>(252,548)</b>	<b>(65,204)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,169,496	477,184	600,000	(91,955)	362,217	(407,287)	(322,644)	1,787,011
Cash and investments - beginning	3,124,168	817,616	-	416,946	2,878,381	884,551	2,325,679	10,447,341
<b>Cash and investments - ending</b>	<b>\$ 4,293,664</b>	<b>\$ 1,294,800</b>	<b>\$ 600,000</b>	<b>\$ 324,991</b>	<b>\$ 3,240,598</b>	<b>\$ 477,264</b>	<b>\$ 2,003,035</b>	<b>\$ 12,234,352</b>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 4,293,664	\$ 1,294,800	\$ 600,000	\$ -	\$ 3,240,598	\$ 477,264	\$ 2,002,094	\$ 11,908,420
Restricted assets:								
Cash and investments	-	-	-	324,991	-	-	941	325,932
<b>Total cash and investment assets - ending</b>	<b>\$ 4,293,664</b>	<b>\$ 1,294,800</b>	<b>\$ 600,000</b>	<b>\$ 324,991</b>	<b>\$ 3,240,598</b>	<b>\$ 477,264</b>	<b>\$ 2,003,035</b>	<b>\$ 12,234,352</b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 324,991	\$ -	\$ -	\$ 941	\$ 325,932
Unrestricted	4,293,664	1,294,800	600,000	-	3,240,598	477,264	2,002,094	11,908,420
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,293,664</b>	<b>\$ 1,294,800</b>	<b>\$ 600,000</b>	<b>\$ 324,991</b>	<b>\$ 3,240,598</b>	<b>\$ 477,264</b>	<b>\$ 2,003,035</b>	<b>\$ 12,234,352</b>

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

CLAY COMMUNITY SCHOOLS  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day Fund	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 7,218,010	\$ 1,989,593	\$ -	\$ 4,079,112	\$ 3,260,738	\$ 564,901	\$ 1,531,528	\$ 18,643,882
Intermediate sources	463	-	-	-	-	-	2,062	2,525
State sources	20,002,759	-	-	-	-	-	421,279	20,424,038
Federal sources	-	-	-	-	-	-	3,191,899	3,191,899
Bonds and loans	1,840,000	1,260,000	-	2,270,000	2,230,000	-	65,000	7,665,000
Sale of property, adjustments and refunds	1,514	11,550	-	-	80,657	-	20,869	114,590
<b>Total receipts</b>	<b><u>29,062,746</u></b>	<b><u>3,261,143</u></b>	<b><u>-</u></b>	<b><u>6,349,112</u></b>	<b><u>5,571,395</u></b>	<b><u>564,901</u></b>	<b><u>5,232,637</u></b>	<b><u>50,041,934</u></b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	20,826,364	-	-	-	-	-	1,893,247	22,719,611
Support services	5,745,907	2,180,923	-	-	3,516,127	325,045	2,888,832	14,656,834
Community services	233,049	-	-	-	-	-	190,202	423,251
Nonprogrammed charges	43,668	-	-	-	-	-	7	43,675
Debt services	2,400,000	1,195,000	-	6,221,612	2,350,000	-	412,227	12,578,839
<b>Total disbursements</b>	<b><u>29,248,988</u></b>	<b><u>3,375,923</u></b>	<b><u>-</u></b>	<b><u>6,221,612</u></b>	<b><u>5,866,127</u></b>	<b><u>325,045</u></b>	<b><u>5,384,515</u></b>	<b><u>50,422,210</u></b>
Excess (deficiency) of receipts over disbursements	<u>(186,242)</u>	<u>(114,780)</u>	<u>-</u>	<u>127,500</u>	<u>(294,732)</u>	<u>239,856</u>	<u>(151,878)</u>	<u>(380,276)</u>
<b>Other financing sources (uses):</b>								
Transfers in	34,735	-	2,000,000	-	-	-	143,285	2,178,020
Transfers out	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>(80,913)</u>	<u>-</u>	<u>-</u>	<u>(97,107)</u>	<u>(2,178,020)</u>
<b>Total other financing sources (uses)</b>	<b><u>(1,965,265)</u></b>	<b><u>-</u></b>	<b><u>2,000,000</u></b>	<b><u>(80,913)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>46,178</u></b>	<b><u>-</u></b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,151,507)</u>	<u>(114,780)</u>	<u>2,000,000</u>	<u>46,587</u>	<u>(294,732)</u>	<u>239,856</u>	<u>(105,700)</u>	<u>(380,276)</u>
Cash and investments - beginning	<u>4,293,664</u>	<u>1,294,800</u>	<u>600,000</u>	<u>324,991</u>	<u>3,240,598</u>	<u>477,264</u>	<u>2,003,035</u>	<u>12,234,352</u>
Cash and investments - ending	<b><u>\$ 2,142,157</u></b>	<b><u>\$ 1,180,020</u></b>	<b><u>\$ 2,600,000</u></b>	<b><u>\$ 371,578</u></b>	<b><u>\$ 2,945,866</u></b>	<b><u>\$ 717,120</u></b>	<b><u>\$ 1,897,335</u></b>	<b><u>\$ 11,854,076</u></b>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 2,142,157	\$ 1,180,020	\$ 2,600,000	\$ -	\$ 2,945,866	\$ 717,120	\$ 1,893,754	\$ 11,478,917
Restricted assets:								
Cash and investments	-	-	-	371,578	-	-	3,581	375,159
<b>Total cash and investment assets - ending</b>	<b><u>\$ 2,142,157</u></b>	<b><u>\$ 1,180,020</u></b>	<b><u>\$ 2,600,000</u></b>	<b><u>\$ 371,578</u></b>	<b><u>\$ 2,945,866</u></b>	<b><u>\$ 717,120</u></b>	<b><u>\$ 1,897,335</u></b>	<b><u>\$ 11,854,076</u></b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 371,578	\$ -	\$ -	\$ 3,581	\$ 375,159
Unrestricted	<u>2,142,157</u>	<u>1,180,020</u>	<u>2,600,000</u>	<u>-</u>	<u>2,945,866</u>	<u>717,120</u>	<u>1,893,754</u>	<u>11,478,917</u>
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 2,142,157</u></b>	<b><u>\$ 1,180,020</u></b>	<b><u>\$ 2,600,000</u></b>	<b><u>\$ 371,578</u></b>	<b><u>\$ 2,945,866</u></b>	<b><u>\$ 717,120</u></b>	<b><u>\$ 1,897,335</u></b>	<b><u>\$ 11,854,076</u></b>

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

CLAY COMMUNITY SCHOOLS  
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>Agency Funds</u>
Additions:		
Investment earnings:		
Interest	\$ 41,024	
Deductions:		
Benefits	<u>3,166</u>	
Excess of total additions over total deductions	37,858	
Cash and investment fund balance - beginning	<u>806,126</u>	
Cash and investment fund balance - ending	<u>\$ 843,984</u>	<u>\$ (9,842)</u>
Net assets:		
Cash and investments	<u>\$ 843,984</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 843,984</u>	

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

CLAY COMMUNITY SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Investment earnings:		
Interest	\$ 28,034	
Deductions:		
Benefits	<u>16,412</u>	
Excess of total additions over total deductions	11,622	
Cash and investment fund balance - beginning	<u>843,985</u>	
Cash and investment fund balance - ending	<u>\$ 855,607</u>	<u>\$ (10,905)</u>
Net assets:		
Cash and investments	<u>\$ 855,607</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 855,607</u>	

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

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Clay Community Schools

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

Joint Venture

The School Corporation is a participant with Vigo County School Corporation in a joint venture to operate Area 35 Vocational Education District which was created to provide vocational education to students. The School Corporation is obligated by contract to remit a variable amount annually based on the number of its participating students to supplement the Area 35 Vocational Education District. Complete financial statements for the Area 35 Vocational Education District can be obtained from the Vigo County Community School Corporation, the administrative and fiscal agent for the program, at 686 Wabash Avenue, Terre Haute, IN 47803.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Clay School Building Corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School Corporation does not have any business-type activities.

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. However, at this time, the School Corporation has not established any proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

The rainy day fund may receive transfers of unused and unencumbered monies from other funds raised by a general or special tax levy. Such transfer cannot exceed 10% of the total budget of the School Corporation for the fiscal year when the transfer occurs. The monies may be used for any purpose deemed relevant for school operations by the School Board at the time the appropriation is made, but shall not be used for ongoing salary and fringe benefits of employees, except for unfunded retirement liability.

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

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

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance pension benefits fund, which accumulates resources for pension benefit payments.

Agency funds serve as a control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts

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

F. Interfund Balances and Activities

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

Fund Financial Statements

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

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$13,815,469. 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.

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

As of June 30, 2008, the School Corporation had no investments.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2006	2007
General Fund	Rainy Day Fund	\$ -	\$ 2,000,000
	Other governmental funds	13,957	-
Debt Service Fund	Rainy Day Fund	200,000	-
Debt Service Fund	Transportation Operating Fund	228,174	-
Capital Projects Fund	Rainy Day Fund	150,000	-
School Bus Replacement Fund	Rainy Day Fund	250,000	-
Transportation Operating Fund	Other governmental funds	3,608	-
Debt Service Fund	Other governmental funds	73,152	80,913
Capital Projects Fund	Other governmental funds	6,025	-
School Bus Replacement Fund	Other governmental funds	2,548	-
Other governmental funds	General Fund	164,494	34,735
Other governmental funds	Other governmental funds	22,523	62,372
Totals		<u>\$ 1,114,481</u>	<u>\$ 2,178,020</u>

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

C. Restatements and Reclassifications

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

Opinion Unit	Balance as Reported June 30, 2006	Fund Reclassification	Balance as Restated July 1, 2006
Governmental activities	\$ 9,703,121	\$ 744,220	\$ 10,447,341
Other governmental funds	1,581,459	744,220	2,325,679
Fiduciary funds	744,220	(744,220)	-

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with Clay 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, 2007 and 2008, totaled \$3,307,000 and \$3,306,000, respectively.

C. Subsequent Events

On December 30, 2008, the School Corporation received \$3,000,000 from the issuance of General Obligation Bonds, Series 2008. The proceeds of the bond issue are to be used for the cost of the renovation of the existing Clay City Elementary School and its outdoor facilities and the installation of security and safety equipment at the existing Clay City Junior/Senior High School, the existing North Middle School, and the existing Northview High School.

Debt service requirements for the bonds are \$1,530,808 (\$1,480,000 principal and \$50,808 interest) due July 15, 2009, and \$1,544,700 (\$1,520,000 principal and \$24,700 interest) due January 15, 2010.

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 (Indiana Code 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

CLAY COMMUNITY SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 392,577
Interest on net pension obligation	(7,324)
Adjustment to annual required contribution	8,347
Annual pension cost	393,600
Contributions made	329,814
Increase in net pension obligation	63,786
Net pension obligation, beginning of the year	(101,027)
Net pension obligation, end of year	\$ (37,241)

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Contribution rates:	
School Corporation	7%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 314,672	98%	\$ (129,668)
	06-30-06	340,555	92%	(101,027)
	06-30-07	393,600	84%	(37,241)

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 (Indiana Code 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

CLAY COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$424,874, \$346,665, and \$329,684, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

CLAY COMMUNITY SCHOOLS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 3,396,329	\$ 4,420,997	\$ (1,024,668)	77%	\$ 4,481,863	(23%)
07-01-06	3,741,764	5,028,098	(1,286,334)	74%	4,462,960	(29%)
07-01-07	4,237,156	5,244,799	(1,007,643)	81%	4,491,635	(22%)

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Pre-School Education	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	Alternative Education	Gifted Education 2005-06
<b>Receipts:</b>							
Local sources	\$ 11,430	\$ 900,922	\$ 185,030	\$ 567	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	3,450	-	-
State sources	234,183	25,515	85,801	-	-	12,035	-
Federal sources	-	886,425	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>245,613</b>	<b>1,812,862</b>	<b>270,831</b>	<b>567</b>	<b>3,450</b>	<b>12,035</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	149,462	-	-	-	-	9,590	5,617
Support services	-	1,840,531	250,047	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	54	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>149,462</b>	<b>1,840,531</b>	<b>250,047</b>	<b>54</b>	<b>-</b>	<b>9,590</b>	<b>5,617</b>
Excess (deficiency) of receipts over disbursements	96,151	(27,669)	20,784	513	3,450	2,445	(5,617)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	63,543	35,239	-	-	-
Transfers out	(28,369)	-	-	(136,163)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(28,369)</b>	<b>-</b>	<b>63,543</b>	<b>(100,924)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67,782	(27,669)	84,327	(100,411)	3,450	2,445	(5,617)
Cash and investments - beginning	336,999	594,904	(70,315)	134,243	22,763	33,700	5,617
Cash and investments - ending	\$ 404,781	\$ 567,235	\$ 14,012	\$ 33,832	\$ 26,213	\$ 36,145	\$ -
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 404,781	\$ 567,235	\$ 14,012	\$ 33,832	\$ 26,213	\$ 36,145	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 404,781</b>	<b>\$ 567,235</b>	<b>\$ 14,012</b>	<b>\$ 33,832</b>	<b>\$ 26,213</b>	<b>\$ 36,145</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	404,781	567,235	14,012	33,832	26,213	36,145	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 404,781</b>	<b>\$ 567,235</b>	<b>\$ 14,012</b>	<b>\$ 33,832</b>	<b>\$ 26,213</b>	<b>\$ 36,145</b>	<b>\$ -</b>

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

	Gifted Education 2006-07	Extra-Curricular LEAPP Center	Non-English Speaking Program	School Technology	Technology Grants - Buddy System	Technology Grants - Equipment	Even Start Family Literacy FY 2005-06
<b>Receipts:</b>							
Local sources	\$ -	\$ 2,714	\$ -	\$ 62,641	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	18,904	-	156	-	3,500	151,643	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>18,904</b>	<b>2,714</b>	<b>156</b>	<b>62,641</b>	<b>3,500</b>	<b>151,643</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	12,993	-	-	-	-	-	21,266
Support services	1,248	-	-	86,975	-	71,975	16,265
Community services	-	1,407	-	-	-	-	442
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>14,241</b>	<b>1,407</b>	<b>-</b>	<b>86,975</b>	<b>-</b>	<b>71,975</b>	<b>37,973</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>4,663</b>	<b>1,307</b>	<b>156</b>	<b>(24,334)</b>	<b>3,500</b>	<b>79,668</b>	<b>(37,973)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>4,663</b>	<b>1,307</b>	<b>156</b>	<b>(24,334)</b>	<b>3,500</b>	<b>79,668</b>	<b>(37,973)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>1,841</b>	<b>285</b>	<b>69,063</b>	<b>-</b>	<b>-</b>	<b>37,973</b>
<b>Cash and investments - ending</b>	<b>\$ 4,663</b>	<b>\$ 3,148</b>	<b>\$ 441</b>	<b>\$ 44,729</b>	<b>\$ 3,500</b>	<b>\$ 79,668</b>	<b>\$ -</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 4,663	\$ 3,148	\$ 441	\$ 44,729	\$ 3,500	\$ 79,668	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 4,663</b>	<b>\$ 3,148</b>	<b>\$ 441</b>	<b>\$ 44,729</b>	<b>\$ 3,500</b>	<b>\$ 79,668</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,663	3,148	441	44,729	3,500	79,668	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,663</b>	<b>\$ 3,148</b>	<b>\$ 441</b>	<b>\$ 44,729</b>	<b>\$ 3,500</b>	<b>\$ 79,668</b>	<b>\$ -</b>

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

	Title I - FY 2006-07	Title I - FY 2005-06	CSRD Title I - M.E.	IASA Title V - FY 2005-06	IASA Title V - FY 2006-07	Special Education - FY 2005-07	Special Education - FY 2006-08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	544,046	40,000	-	-	8,002	180,641	875,106
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>544,046</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>8,002</b>	<b>180,641</b>	<b>875,106</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	389,196	77,074	6,994	-	225	153,300	713,014
Support services	102,552	16,502	47,633	93	7,777	34,685	117,729
Community services	3,086	-	2,907	-	-	-	-
Nonprogrammed charges	-	-	4,934	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>494,834</b>	<b>93,576</b>	<b>62,468</b>	<b>93</b>	<b>8,002</b>	<b>187,985</b>	<b>830,743</b>
Excess (deficiency) of receipts over disbursements	49,212	(53,576)	(62,468)	(93)	-	(7,344)	44,363
<b>Other financing sources (uses):</b>							
Transfers in	21,741	-	-	-	-	-	-
Transfers out	-	(21,741)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>21,741</b>	<b>(21,741)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	70,953	(75,317)	(62,468)	(93)	-	(7,344)	44,363
Cash and investments - beginning	-	75,317	62,468	93	-	50,021	-
Cash and investments - ending	\$ 70,953	\$ -	\$ -	\$ -	\$ -	\$ 42,677	\$ 44,363
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 70,953	\$ -	\$ -	\$ -	\$ -	\$ 42,677	\$ 44,363
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 70,953</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,677</b>	<b>\$ 44,363</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	70,953	-	-	-	-	42,677	44,363
<b>Total cash and investment fund balance - ending</b>	<b>\$ 70,953</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,677</b>	<b>\$ 44,363</b>

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

	Special Education - FY 2004-06	Pre-School Special Education - FY 2005-07	Pre-School Special Education - FY 2006-08	Special Education - Sliver - 05-06	Drug-Free Schools and Communities FY 2004-06	Drug-Free Schools and Communities FY 2005-07	Drug-Free Schools and Communities FY 2006-08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	15,442	-	46,148	7,199	-	22,353	1,293
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>15,442</b>	<b>-</b>	<b>46,148</b>	<b>7,199</b>	<b>-</b>	<b>22,353</b>	<b>1,293</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	15,288	2,000	38,629	1,191	14,784	10,248	218
Support services	35,109	-	-	5,902	1,538	-	55
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	1,713	-	-	6,592	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>52,110</b>	<b>2,000</b>	<b>38,629</b>	<b>13,685</b>	<b>16,322</b>	<b>10,248</b>	<b>273</b>
Excess (deficiency) of receipts over disbursements	(36,668)	(2,000)	7,519	(6,486)	(16,322)	12,105	1,020
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(4)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,668)	(2,000)	7,519	(6,490)	(16,322)	12,105	1,020
Cash and investments - beginning	36,668	2,289	-	6,490	16,322	-	-
Cash and investments - ending	\$ -	\$ 289	\$ 7,519	\$ -	\$ -	\$ 12,105	\$ 1,020
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 289	\$ 7,519	\$ -	\$ -	\$ 12,105	\$ 1,020
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 289</b>	<b>\$ 7,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,105</b>	<b>\$ 1,020</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	289	7,519	-	-	12,105	1,020
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 289</b>	<b>\$ 7,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,105</b>	<b>\$ 1,020</b>

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

	Project Respect FY 2005-06	Project Respect FY 2006-07	Carl D. Perkins Act FY 06-07	Carl D. Perkins Act FY 05-06	Disaster Expense - Lightning	Teacher Quality Enhancement Grants
<b>Receipts:</b>						
Local sources	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	25,000	18,133	44,469	-	-	3,000
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>26,050</b>	<b>18,133</b>	<b>44,469</b>	<b>-</b>	<b>-</b>	<b>3,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	129	756	16,696	537	-	-
Support services	-	-	27,196	11,205	-	3,855
Community services	5,075	23,234	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,204</b>	<b>23,990</b>	<b>43,892</b>	<b>11,742</b>	<b>-</b>	<b>3,855</b>
Excess (deficiency) of receipts over disbursements	20,846	(5,857)	577	(11,742)	-	(855)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,846	(5,857)	577	(11,742)	-	(855)
Cash and investments - beginning	(20,846)	-	-	11,742	21,728	1,733
Cash and investments - ending	\$ -	\$ (5,857)	\$ 577	\$ -	\$ 21,728	\$ 878
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ (5,857)	\$ 577	\$ -	\$ 21,728	\$ 878
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (5,857)</b>	<b>\$ 577</b>	<b>\$ -</b>	<b>\$ 21,728</b>	<b>\$ 878</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(5,857)	577	-	21,728	878
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (5,857)</b>	<b>\$ 577</b>	<b>\$ -</b>	<b>\$ 21,728</b>	<b>\$ 878</b>

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

	Eisenhower FY 04-06	Eisenhower FY 05-07	Class Size Reduction FY 05-07	Class Size Reduction FY 06-07	Enhancing Education Through Technology	Retirement/ Severance Bond Fund
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,621
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,477	28,000	52,000	143,000	2,820	-
Bonds and loans	-	-	-	-	-	65,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,477</b>	<b>28,000</b>	<b>52,000</b>	<b>143,000</b>	<b>2,820</b>	<b>251,621</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,937	-	53,419	133,936	697	-
Support services	26,570	2,894	-	-	16,322	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	350,582
<b>Total disbursements</b>	<b>28,507</b>	<b>2,894</b>	<b>53,419</b>	<b>133,936</b>	<b>17,019</b>	<b>350,582</b>
Excess (deficiency) of receipts over disbursements	(26,030)	25,106	(1,419)	9,064	(14,199)	(98,961)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	740
Transfers out	-	-	-	-	-	(740)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,030)	25,106	(1,419)	9,064	(14,199)	(98,961)
Cash and investments - beginning	26,030	-	1,419	-	21,198	99,902
Cash and investments - ending	\$ -	\$ 25,106	\$ -	\$ 9,064	\$ 6,999	\$ 941
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 25,106	\$ -	\$ 9,064	\$ 6,999	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	941
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 25,106</b>	<b>\$ -</b>	<b>\$ 9,064</b>	<b>\$ 6,999</b>	<b>\$ 941</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 941
Unrestricted	-	25,106	-	9,064	6,999	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 25,106</b>	<b>\$ -</b>	<b>\$ 9,064</b>	<b>\$ 6,999</b>	<b>\$ 941</b>

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

	PDS Site Block Grant	Conference Fund	Lilly Extension Coordinator Costs	Lilly Extension Program Enhancement	Transportation To Work Program	Community Foundation & Other Fund
<b>Receipts:</b>						
Local sources	\$ 1,800	\$ -	\$ -	\$ 65	\$ 5,137	\$ 1,020
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,800</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>5,137</b>	<b>1,020</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,673	-	20,518	138,114	5,062	-
Support services	-	-	-	-	-	506
Community services	-	-	124,221	34,188	-	279
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,673</b>	<b>-</b>	<b>144,739</b>	<b>172,302</b>	<b>5,062</b>	<b>785</b>
Excess (deficiency) of receipts over disbursements	(873)	-	(144,739)	(172,237)	75	235
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(873)	-	(144,739)	(172,237)	75	235
Cash and investments - beginning	1,814	6,185	343,369	205,961	4,778	690
Cash and investments - ending	\$ 941	\$ 6,185	\$ 198,630	\$ 33,724	\$ 4,853	\$ 925
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 941	\$ 6,185	\$ 198,630	\$ 33,724	\$ 4,853	\$ 925
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 941</b>	<b>\$ 6,185</b>	<b>\$ 198,630</b>	<b>\$ 33,724</b>	<b>\$ 4,853</b>	<b>\$ 925</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	941	6,185	198,630	33,724	4,853	925
<b>Total cash and investment fund balance - ending</b>	<b>\$ 941</b>	<b>\$ 6,185</b>	<b>\$ 198,630</b>	<b>\$ 33,724</b>	<b>\$ 4,853</b>	<b>\$ 925</b>

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

	Clay City High School Fitness Program	Scholarship Fund	Teacher Awards	Lilly Endowment	Lilly- Earnings From Investment	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 750	\$ 123,770	\$ -	\$ 1,483,517
Intermediate sources	-	-	-	-	-	3,450
State sources	-	-	-	-	-	531,737
Federal sources	-	-	-	-	-	2,945,554
Bonds and loans	-	-	-	-	-	65,000
Sale of property, adjustments and refunds	-	-	-	-	20,343	20,343
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>123,770</b>	<b>20,343</b>	<b>5,049,601</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	356	-	960	-	-	1,996,879
Support services	-	-	855	-	20,778	2,746,797
Community services	4,651	-	-	-	-	199,490
Nonprogrammed charges	-	-	-	-	-	13,293
Debt services	-	-	-	-	-	350,582
<b>Total disbursements</b>	<b>5,007</b>	<b>-</b>	<b>1,815</b>	<b>-</b>	<b>20,778</b>	<b>5,307,041</b>
Excess (deficiency) of receipts over disbursements	(5,007)	-	(1,065)	123,770	(435)	(257,440)
<b>Other financing sources (uses):</b>						
Transfers in	550	-	-	-	-	121,813
Transfers out	-	-	-	-	-	(187,017)
<b>Total other financing sources (uses)</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65,204)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,457)	-	(1,065)	123,770	(435)	(322,644)
Cash and investments - beginning	4,471	6,535	2,264	-	169,965	2,325,679
Cash and investments - ending	\$ 14	\$ 6,535	\$ 1,199	\$ 123,770	\$ 169,530	\$ 2,003,035
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 14	\$ 6,535	\$ 1,199	\$ 123,770	\$ 169,530	\$ 2,002,094
Restricted assets:						
Cash and investments	-	-	-	-	-	941
<b>Total cash and investment assets - ending</b>	<b>\$ 14</b>	<b>\$ 6,535</b>	<b>\$ 1,199</b>	<b>\$ 123,770</b>	<b>\$ 169,530</b>	<b>\$ 2,003,035</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 941
Unrestricted	14	6,535	1,199	123,770	169,530	2,002,094
<b>Total cash and investment fund balance - ending</b>	<b>\$ 14</b>	<b>\$ 6,535</b>	<b>\$ 1,199</b>	<b>\$ 123,770</b>	<b>\$ 169,530</b>	<b>\$ 2,003,035</b>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	Pre-School Education	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	Alternative Education	Early Intervention Grant
<b>Receipts:</b>							
Local sources	\$ 32,012	\$ 893,931	\$ 183,757	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	2,062	-	-
State sources	176,451	22,040	145,987	-	-	11,248	15,000
Federal sources	-	1,015,351	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>208,463</b>	<b>1,931,322</b>	<b>329,744</b>	<b>-</b>	<b>2,062</b>	<b>11,248</b>	<b>15,000</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	133,336	-	-	-	-	31,022	550
Support services	-	1,938,885	271,172	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>133,336</b>	<b>1,938,885</b>	<b>271,172</b>	<b>-</b>	<b>-</b>	<b>31,022</b>	<b>550</b>
Excess (deficiency) of receipts over disbursements	75,127	(7,563)	58,572	-	2,062	(19,774)	14,450
<b>Other financing sources (uses):</b>							
Transfers in	-	-	76,604	-	-	-	-
Transfers out	-	-	-	(33,832)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>76,604</b>	<b>(33,832)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75,127	(7,563)	135,176	(33,832)	2,062	(19,774)	14,450
Cash and investments - beginning	404,781	567,235	14,012	33,832	26,213	36,145	-
Cash and investments - ending	\$ 479,908	\$ 559,672	\$ 149,188	\$ -	\$ 28,275	\$ 16,371	\$ 14,450
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 479,908	\$ 559,672	\$ 149,188	\$ -	\$ 28,275	\$ 16,371	\$ 14,450
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 479,908</b>	<b>\$ 559,672</b>	<b>\$ 149,188</b>	<b>\$ -</b>	<b>\$ 28,275</b>	<b>\$ 16,371</b>	<b>\$ 14,450</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	479,908	559,672	149,188	-	28,275	16,371	14,450
<b>Total cash and investment fund balance - ending</b>	<b>\$ 479,908</b>	<b>\$ 559,672</b>	<b>\$ 149,188</b>	<b>\$ -</b>	<b>\$ 28,275</b>	<b>\$ 16,371</b>	<b>\$ 14,450</b>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Gifted Education 2007-08	Gifted Education 2006-07	Extra-Curricular LEAPP Center	Non-English Speaking Program	School Technology	Technology Grants - Buddy System	Technology Grants - Equipment
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 1,868	\$ -	\$ 41,088	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	45,944	-	-	2,109	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>45,944</b>	<b>-</b>	<b>1,868</b>	<b>2,109</b>	<b>41,088</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	38,065	4,163	-	1,313	-	142	-
Support services	1,637	500	-	-	17,522	3,358	73,668
Community services	-	-	1,238	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>39,702</b>	<b>4,663</b>	<b>1,238</b>	<b>1,313</b>	<b>17,522</b>	<b>3,500</b>	<b>73,668</b>
Excess (deficiency) of receipts over disbursements	6,242	(4,663)	630	796	23,566	(3,500)	(73,668)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,242	(4,663)	630	796	23,566	(3,500)	(73,668)
Cash and investments - beginning	-	4,663	3,148	441	44,729	3,500	79,668
Cash and investments - ending	\$ 6,242	\$ -	\$ 3,778	\$ 1,237	\$ 68,295	\$ -	\$ 6,000
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 6,242	\$ -	\$ 3,778	\$ 1,237	\$ 68,295	\$ -	\$ 6,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,242</b>	<b>\$ -</b>	<b>\$ 3,778</b>	<b>\$ 1,237</b>	<b>\$ 68,295</b>	<b>\$ -</b>	<b>\$ 6,000</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,242	-	3,778	1,237	68,295	-	6,000
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,242</b>	<b>\$ -</b>	<b>\$ 3,778</b>	<b>\$ 1,237</b>	<b>\$ 68,295</b>	<b>\$ -</b>	<b>\$ 6,000</b>

OTHER GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008  
(Continued)

	Access Indiana Grant	Family Literacy - DCS Grant	Title I - FY 2007-08	Title I - FY 2006-07	IASA Title V - FY 2007-08	Special Education - FY 2005-07	Special Education - FY 2006-08
<b>Receipts:</b>							
Local sources	\$ -	\$ 8,104	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	2,500	-	-	-	-	-	-
Federal sources	-	-	670,765	17,628	7,741	-	166,400
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,500</b>	<b>8,104</b>	<b>670,765</b>	<b>17,628</b>	<b>7,741</b>	<b>-</b>	<b>166,400</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	450,161	7,896	84	16,551	181,636
Support services	-	-	134,834	18,268	7,657	26,119	29,127
Community services	-	5,431	3,126	45	-	-	-
Nonprogrammed charges	-	-	-	-	-	7	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>5,431</b>	<b>588,121</b>	<b>26,209</b>	<b>7,741</b>	<b>42,677</b>	<b>210,763</b>
Excess (deficiency) of receipts over disbursements	2,500	2,673	82,644	(8,581)	-	(42,677)	(44,363)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	62,372	-	-	-	-
Transfers out	-	-	-	(62,372)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>62,372</b>	<b>(62,372)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,500	2,673	145,016	(70,953)	-	(42,677)	(44,363)
Cash and investments - beginning	-	-	-	70,953	-	42,677	44,363
Cash and investments - ending	<u>\$ 2,500</u>	<u>\$ 2,673</u>	<u>\$ 145,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 2,500	\$ 2,673	\$ 145,016	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 2,500</u></b>	<b><u>\$ 2,673</u></b>	<b><u>\$ 145,016</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,500	2,673	145,016	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 2,500</u></b>	<b><u>\$ 2,673</u></b>	<b><u>\$ 145,016</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Special Education - FY 2007-09	Pre-School Special Education - FY 2005-07	Pre-School Special Education - FY 2006-08	Pre-School Special Education - FY 2007-09	Drug-Free Schools and Communities FY 2005-07	Drug-Free Schools and Communities FY 2006-08
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	836,375	-	-	42,300	-	16,000
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>836,375</u>	<u>-</u>	<u>-</u>	<u>42,300</u>	<u>-</u>	<u>16,000</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	699,880	289	7,519	41,509	10,740	4,767
Support services	123,747	-	-	467	-	528
Community services	-	-	-	-	1,012	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>823,627</u>	<u>289</u>	<u>7,519</u>	<u>41,976</u>	<u>11,752</u>	<u>5,295</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>12,748</u>	<u>(289)</u>	<u>(7,519)</u>	<u>324</u>	<u>(11,752)</u>	<u>10,705</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(353)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(353)</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>12,748</u>	<u>(289)</u>	<u>(7,519)</u>	<u>324</u>	<u>(12,105)</u>	<u>10,705</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>289</u>	<u>7,519</u>	<u>-</u>	<u>12,105</u>	<u>1,020</u>
<b>Cash and investments - ending</b>	<u>\$ 12,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ 11,725</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 12,748	\$ -	\$ -	\$ 324	\$ -	\$ 11,725
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 12,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ 11,725</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,748	-	-	324	-	11,725
<b>Total cash and investment fund balance - ending</b>	<u>\$ 12,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ 11,725</u>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Project Respect FY 2005-06	Project Respect FY 2006-07	Carl D. Perkins Act FY 06-07	Carl D. Perkins Act FY 07-08	Disaster Expense - Lightning	Teacher Quality Enhancement Grants
<b>Receipts:</b>						
Local sources	\$ 3,714	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,500	6,829	-	44,180	-	3,000
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,214</b>	<b>6,829</b>	<b>-</b>	<b>44,180</b>	<b>-</b>	<b>3,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	235	46	10	15,664	-	306
Support services	-	-	567	23,592	-	1,746
Community services	5,979	926	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,214</b>	<b>972</b>	<b>577</b>	<b>39,256</b>	<b>-</b>	<b>2,052</b>
Excess (deficiency) of receipts over disbursements	-	5,857	(577)	4,924	-	948
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,857	(577)	4,924	-	948
Cash and investments - beginning	-	(5,857)	577	-	21,728	878
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 4,924	\$ 21,728	\$ 1,826
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ 4,924	\$ 21,728	\$ 1,826
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,924</b>	<b>\$ 21,728</b>	<b>\$ 1,826</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	4,924	21,728	1,826
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,924</b>	<b>\$ 21,728</b>	<b>\$ 1,826</b>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Eisenhower FY 05-07	Eisenhower FY 06-08	Class Size Reduction FY 06-07	Class Size Reduction FY 07-08	Enhancing Education Through Technology	Retirement/ Severance Bond Fund
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,558
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,247	12,820	50,000	135,243	162,520	-
Bonds and loans	-	-	-	-	-	65,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,247</b>	<b>12,820</b>	<b>50,000</b>	<b>135,243</b>	<b>162,520</b>	<b>410,558</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	997	59,064	121,295	135	-
Support services	27,353	9,991	-	-	149,764	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	412,227
<b>Total disbursements</b>	<b>27,353</b>	<b>10,988</b>	<b>59,064</b>	<b>121,295</b>	<b>149,899</b>	<b>412,227</b>
Excess (deficiency) of receipts over disbursements	(25,106)	1,832	(9,064)	13,948	12,621	(1,669)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	4,309
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,309</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,106)	1,832	(9,064)	13,948	12,621	2,640
Cash and investments - beginning	25,106	-	9,064	-	6,999	941
Cash and investments - ending	\$ -	\$ 1,832	\$ -	\$ 13,948	\$ 19,620	\$ 3,581
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 1,832	\$ -	\$ 13,948	\$ 19,620	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	3,581
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,832</b>	<b>\$ -</b>	<b>\$ 13,948</b>	<b>\$ 19,620</b>	<b>\$ 3,581</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,581
Unrestricted	-	1,832	-	13,948	19,620	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,832</b>	<b>\$ -</b>	<b>\$ 13,948</b>	<b>\$ 19,620</b>	<b>\$ 3,581</b>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	PDS Site Block Grant	Conference Fund	Lilly Extension Coordinator Costs	Lilly Extension Program Enhancement	Transportation To Work Program	Community Foundation & Other Fund
<b>Receipts:</b>						
Local sources	\$ 1,800	\$ -	\$ -	\$ -	\$ 3,815	\$ 5,131
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,815</b>	<b>5,131</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,741	-	10,584	32,377	4,177	-
Support services	-	43	-	-	-	840
Community services	-	-	163,246	1,347	-	3,288
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,741</b>	<b>43</b>	<b>173,830</b>	<b>33,724</b>	<b>4,177</b>	<b>4,128</b>
Excess (deficiency) of receipts over disbursements	(941)	(43)	(173,830)	(33,724)	(362)	1,003
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(941)	(43)	(173,830)	(33,724)	(362)	1,003
Cash and investments - beginning	941	6,185	198,630	33,724	4,853	925
Cash and investments - ending	\$ -	\$ 6,142	\$ 24,800	\$ -	\$ 4,491	\$ 1,928
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 6,142	\$ 24,800	\$ -	\$ 4,491	\$ 1,928
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 6,142</b>	<b>\$ 24,800</b>	<b>\$ -</b>	<b>\$ 4,491</b>	<b>\$ 1,928</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,142	24,800	-	4,491	1,928
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 6,142</b>	<b>\$ 24,800</b>	<b>\$ -</b>	<b>\$ 4,491</b>	<b>\$ 1,928</b>

CLAY COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Clay City High School Fitness Program	Scholarship Fund	Teacher Awards	Lilly Endowment	Lilly- Earnings From Investment	Totals
<b>Receipts:</b>						
Local sources	\$ 10,000	\$ -	\$ 750	\$ -	\$ -	\$ 1,531,528
Intermediate sources	-	-	-	-	-	2,062
State sources	-	-	-	-	-	421,279
Federal sources	-	-	-	-	-	3,191,899
Bonds and loans	-	-	-	-	-	65,000
Sale of property, adjustments and refunds	-	-	-	-	20,869	20,869
<b>Total receipts</b>	<b>10,000</b>	<b>-</b>	<b>750</b>	<b>-</b>	<b>20,869</b>	<b>5,232,637</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	176	-	162	15,655	-	1,893,247
Support services	-	-	770	4,983	21,694	2,888,832
Community services	4,564	-	-	-	-	190,202
Nonprogrammed charges	-	-	-	-	-	7
Debt services	-	-	-	-	-	412,227
<b>Total disbursements</b>	<b>4,740</b>	<b>-</b>	<b>932</b>	<b>20,638</b>	<b>21,694</b>	<b>5,384,515</b>
Excess (deficiency) of receipts over disbursements	5,260	-	(182)	(20,638)	(825)	(151,878)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	143,285
Transfers out	(550)	-	-	-	-	(97,107)
<b>Total other financing sources (uses)</b>	<b>(550)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,178</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,710	-	(182)	(20,638)	(825)	(105,700)
Cash and investments - beginning	14	6,535	1,199	123,770	169,530	2,003,035
Cash and investments - ending	\$ 4,724	\$ 6,535	\$ 1,017	\$ 103,132	\$ 168,705	\$ 1,897,335
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 4,724	\$ 6,535	\$ 1,017	\$ 103,132	\$ 168,705	\$ 1,893,754
Restricted assets:						
Cash and investments	-	-	-	-	-	3,581
<b>Total cash and investment assets - ending</b>	<b>\$ 4,724</b>	<b>\$ 6,535</b>	<b>\$ 1,017</b>	<b>\$ 103,132</b>	<b>\$ 168,705</b>	<b>\$ 1,897,335</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,581
Unrestricted	4,724	6,535	1,017	103,132	168,705	1,893,754
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,724</b>	<b>\$ 6,535</b>	<b>\$ 1,017</b>	<b>\$ 103,132</b>	<b>\$ 168,705</b>	<b>\$ 1,897,335</b>

# Clay Community Schools



Dr. Dan Schroeder, Superintendent  
Ms. Kimberly Tucker, Assistant Superintendent for Curriculum & Instruction  
Mr. Mike Fowler, Business Manager/Treasurer  
Mrs. Kathy Knust, Curriculum and Grants Coordinator  
Mrs. Carolyn Kumpf, Director of Personnel, Data, & Food Service  
Mr. Tom Reberger, Director of Buildings & Grounds

9750 N Crawford Street  
PO Box 169  
Knightsville, IN 47857  
Phone: 812-443-4461  
Fax: 812-442-0849

## CLAY COMMUNITY SCHOOLS SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

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.

The schedule below is prepared as of June 30, 2006, not as of the preferred audit period ending date of June 30, 2008. Maximus is currently in the process of updating Clay Community School's capital assets records as of June 30, 2008.

	6/30/2006
<u>Primary Government</u>	<u>Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land and land improvements	\$ 2,812,955
Buildings and improvements other than buildings	58,544,013
Machinery and equipment	<u>11,356,149</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 72,713,117</u>

# Clay Community Schools



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CLAY COMMUNITY SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
School buildings	\$ 1,540,000	\$ 1,567,000
Notes and loans payable	12,491,687	8,592,761
Bonds payable:		
General obligation bonds:		
Funding of existing retirement or severance liability	2,510,000	291,419
<b>Total governmental activities debt</b>	<b>\$ 16,541,687</b>	<b>\$ 10,451,180</b>

CLAY COMMUNITY SCHOOLS  
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balances of the Project Respect FY 2006-07 Fund and the PERF/Life/Insurance Fund were overdrawn during 2006-2007. The cash balance of the PERF/Life/Insurance Fund was overdrawn in 2007-2008.

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 government unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CLAY COMMUNITY SCHOOLS, CLAY COUNTY, INDIANA

Compliance

We have audited the compliance of the Clay Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. 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, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the School Corporation's management 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 18, 2009

CLAY COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555		\$ 768,097	\$ 828,900
School Breakfast Program	10.553		<u>191,725</u>	<u>224,347</u>
Total for federal grantor agency			<u>959,822</u>	<u>1,053,247</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	14205-007-PN01	52,110	-
		14206-007-PN01	187,986	42,677
		14207-002-PN01	830,743	210,763
		14208-007-PN01	<u>-</u>	<u>823,627</u>
Total for program			<u>1,070,839</u>	<u>1,077,067</u>
Special Education - Preschool Grants	84.173	14205-007-PN01	13,689	-
		45706-007-PN01	2,000	289
		45707-007-PN01	38,629	7,519
		45708-007-PN01	<u>-</u>	<u>41,976</u>
Total for program			<u>54,318</u>	<u>49,784</u>
Total for cluster			<u>1,125,157</u>	<u>1,126,851</u>
Title I Grants to Local Educational Agencies	84.010	06-1125	93,576	-
		07-1125	494,834	88,580
		08-1125	<u>-</u>	<u>588,120</u>
Total for program			<u>588,410</u>	<u>676,700</u>
Pass-Through Vigo County Community School Corporation				
Vocational Education - Basic Grants to States	84.048	FY 05-06	11,742	-
		FY 06-07	43,892	577
		FY 07-08	<u>-</u>	<u>39,256</u>
Total for program			<u>55,634</u>	<u>39,833</u>
Safe and Drug-Free Schools and Communities	84.186	04-348	16,322	-
		05-183	10,248	12,105
		1125-06	<u>273</u>	<u>5,295</u>
Total for program			<u>26,843</u>	<u>17,400</u>
Even Start Family Literacy Program	84.213		<u>37,973</u>	<u>-</u>
Innovative Education Program Strategies	84.298	05-034	93	-
		06-1125	8,002	-
		07-1125	<u>-</u>	<u>7,741</u>
Total for program			<u>8,095</u>	<u>7,741</u>

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

CLAY COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2007 and 2008  
(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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Vigo County Community School Corporation (continued)				
Enhancing Education Through Technology	84.318	SY 2005-06 SY 2006-07 S318X060014	12,598 4,421 <u>-</u>	- 6,999 <u>142,900</u>
Total for program			<u>17,019</u>	<u>149,899</u>
Comprehensive School Reform Demonstration	84.332	School #0949	<u>62,468</u>	<u>-</u>
Teacher Quality Enhancement Grants	84.336	FY 05-06 FY 06-07 FY 07-08	1,733 2,122 <u>-</u>	- 878 <u>1,174</u>
Total for program			<u>3,855</u>	<u>2,052</u>
Improving Teacher Quality State Grants	84.367	04-080 05-063 06-1125 07-1125	28,507 56,313 133,936 <u>-</u>	- 27,353 70,052 <u>121,295</u>
Total for program			<u>218,756</u>	<u>218,700</u>
Total for federal grantor agency			<u>2,144,210</u>	<u>2,239,176</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana State Department of Health				
Abstinence Education Block Grant	93.235	AEBG 415-1 AEBG 415-1	5,204 <u>23,990</u>	6,214 <u>972</u>
Total for federal grantor agency			<u>29,194</u>	<u>7,186</u>
Total federal awards expended			<u>\$ 3,133,226</u>	<u>\$ 3,299,609</u>

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

CLAY COMMUNITY SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
National School Lunch Program	10.555	\$ 71,697	\$ 39,596

CLAY COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Child Nutrition Cluster 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? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CLAY COMMUNITY SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CLAY COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2009, with Daniel Schroeder, Superintendent of Schools; Michael Fowler, Director of Business Affairs; and Bryan Atkinson, President of the School Board. The officials concurred with our audit finding.