

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

AUDIT REPORT

OF

MERRILLVILLE COMMUNITY SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2007 to June 30, 2009



**FILED**

02/22/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Assistant to the Superintendent For Business Affairs (Treasurer)	Kimberly Fox Janice Stojakovich (Interim) Hilda Damianick	07-01-07 to 10-31-07 11-01-07 to 12-09-07 12-10-07 to 06-30-10
Superintendent of Schools	Dr. Anthony Lux	07-01-07 to 06-30-10
President of the School Board	Mark S. Lucas Thomas Bainbridge	07-01-07 to 06-30-09 07-01-09 to 06-30-10



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

TO: THE OFFICIALS OF THE MERRILLVILLE COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Merrillville Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 7, 2010, 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 School Corporation has not presented Management's Discussion and Analysis, Budgetary Comparison Schedules, or the Schedule of Funding Progress that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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

STATE BOARD OF ACCOUNTS

January 7, 2010



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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 MERRILLVILLE COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Merrillville Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 7, 2010. 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.

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

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

January 7, 2010

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 26,112,577	\$ -	\$ 551,478	\$ (25,561,099)
Support services	14,140,317	1,930,949	1,622,530	(10,586,838)
Noninstructional services	3,213,029	-	-	(3,213,029)
Facilities acquisition and construction	6,229,238	-	-	(6,229,238)
Debt service	73,835,515	-	-	(73,835,515)
Nonprogrammed charges	<u>7,675,888</u>	<u>-</u>	<u>-</u>	<u>(7,675,888)</u>
Total governmental activities	<u>\$ 131,206,564</u>	<u>\$ 1,930,949</u>	<u>\$ 2,174,008</u>	<u>(127,101,607)</u>
General receipts:				
Property taxes				46,014,260
Other local sources				7,635,024
State aid				19,362,838
Bonds and loans				44,945,271
Grants and contributions not restricted to specific programs				1,792,727
Sale of property				2,860,019
Investment earnings				799,999
Other				<u>64,530</u>
Total general receipts				<u>123,474,668</u>
Change in net assets				(3,626,939)
Restated net assets - beginning (Note III. C.)				<u>17,003,788</u>
Net assets - ending				<u>\$ 13,376,849</u>
<u>Assets</u>				
Cash and investments				\$ 9,630,500
Restricted assets:				
Cash and investments				<u>3,746,349</u>
Total assets				<u>\$ 13,376,849</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 86,853
Other purposes				3,659,496
Unrestricted				<u>9,630,500</u>
Total net assets				<u>\$ 13,376,849</u>

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 24,259,158	\$ -	\$ 611,640	\$ (23,647,518)
Support services	18,287,488	1,528,158	1,948,342	(14,810,988)
Noninstructional services	3,172,830	-	-	(3,172,830)
Facilities acquisition and construction	2,561,317	-	-	(2,561,317)
Debt service	54,629,521	-	-	(54,629,521)
Nonprogrammed charges	<u>7,680,537</u>	<u>-</u>	<u>-</u>	<u>(7,680,537)</u>
 Total governmental activities	 <u>\$ 110,590,851</u>	 <u>\$ 1,528,158</u>	 <u>\$ 2,559,982</u>	 <u>(106,502,711)</u>
 General receipts:				
Property taxes				48,580,408
Other local sources				7,805,026
State aid				26,383,722
Bonds and loans				23,880,099
Grants and contributions not restricted to specific programs				6,677,445
Sale of property				20,774
Investment earnings				196,346
Other				<u>29,220</u>
 Total general receipts				 <u>113,573,040</u>
 Change in net assets				 7,070,329
 Net assets - beginning				 <u>13,376,849</u>
 Net assets - ending				 <u>\$ 20,447,178</u>
 <u>Assets</u>				
Cash and investments				\$ 17,373,464
Restricted assets:				
Cash and investments				<u>3,073,714</u>
 Total assets				 <u>\$ 20,447,178</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 118,768
Other purposes				2,954,946
Unrestricted				<u>17,373,464</u>
 Total net assets				 <u>\$ 20,447,178</u>

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

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

	General	Insurance Reserve	Debt Service	Capital Projects	Construction - High School & Pierce	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 17,866,196	\$ -	\$ 21,678,925	\$ 5,298,213	\$ 131,000	\$ 8,863,143	\$ 53,837,477
Intermediate sources	197,175	-	-	-	-	2,737	199,912
State sources	20,586,242	-	-	-	-	789,690	21,375,932
Federal sources	49,117	-	-	-	-	1,904,524	1,953,641
Temporary loans	22,532,842	-	15,782,079	1,257,602	-	5,372,748	44,945,271
Other	16,587	-	-	10,585	-	37,358	64,530
<b>Total receipts</b>	<b>61,248,159</b>	<b>-</b>	<b>37,461,004</b>	<b>6,566,400</b>	<b>131,000</b>	<b>16,970,200</b>	<b>122,376,763</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	27,160,323	-	-	-	-	1,614,626	28,774,949
Support services	8,609,019	-	-	3,494,240	-	5,006,770	17,110,029
Noninstructional services	548,902	-	-	-	-	2,803,194	3,352,096
Facilities acquisition and construction	-	-	-	2,628,056	198,252	3,402,930	6,229,238
Debt services	26,958,842	-	37,037,695	3,177,602	-	6,661,376	73,835,515
Nonprogrammed charges	2,637,374	-	-	-	-	103,415	2,740,789
<b>Total disbursements</b>	<b>65,914,460</b>	<b>-</b>	<b>37,037,695</b>	<b>9,299,898</b>	<b>198,252</b>	<b>19,592,311</b>	<b>132,042,616</b>
Excess (deficiency) of receipts over disbursements	(4,666,301)	-	423,309	(2,733,498)	(67,252)	(2,622,111)	(9,665,853)
<b>Other financing sources (uses):</b>							
Sale of capital assets	60,100	-	-	-	2,798,000	1,919	2,860,019
Transfers in	257,908	-	-	842,282	-	147,631	1,247,821
Transfers out	-	-	(119,975)	-	(842,282)	(27,656)	(989,913)
<b>Total other financing sources (uses)</b>	<b>318,008</b>	<b>-</b>	<b>(119,975)</b>	<b>842,282</b>	<b>1,955,718</b>	<b>121,894</b>	<b>3,117,927</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,348,293)	-	303,334	(1,891,216)	1,888,466	(2,500,217)	(6,547,926)
Restated cash and investments - beginning (Note III. C.)	8,783,132	1,071,484	(216,481)	3,999,358	-	2,627,786	16,265,279
<b>Cash and investments - ending</b>	<b>\$ 4,434,839</b>	<b>\$ 1,071,484</b>	<b>\$ 86,853</b>	<b>\$ 2,108,142</b>	<b>\$ 1,888,466</b>	<b>\$ 127,569</b>	<b>9,717,353</b>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							3,659,496
<b>Net assets of governmental activities</b>							<b>\$ 13,376,849</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 4,434,839	\$ 1,071,484	\$ -	\$ 2,108,142	\$ 1,888,466	\$ 127,569	\$ 9,630,500
Restricted assets:							
Cash and investments	-	-	86,853	-	-	-	86,853
<b>Total cash and investment assets - ending</b>	<b>\$ 4,434,839</b>	<b>\$ 1,071,484</b>	<b>\$ 86,853</b>	<b>\$ 2,108,142</b>	<b>\$ 1,888,466</b>	<b>\$ 127,569</b>	<b>\$ 9,717,353</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 86,853	\$ -	\$ -	\$ -	\$ 86,853
Unrestricted	4,434,839	1,071,484	-	2,108,142	1,888,466	127,569	9,630,500
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,434,839</b>	<b>\$ 1,071,484</b>	<b>\$ 86,853</b>	<b>\$ 2,108,142</b>	<b>\$ 1,888,466</b>	<b>\$ 127,569</b>	<b>\$ 9,717,353</b>

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009

	General	Insurance Reserve	Education Stimulus	Debt Service	Capital Projects	Construction - High School & Pierce	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 20,012,663	\$ -	\$ -	\$ 19,857,136	\$ 7,168,947	\$ 40	\$ 9,623,417	\$ 56,662,203
Intermediate sources	266,082	-	-	-	-	-	2,438	268,520
State sources	27,115,673	-	-	-	-	-	1,501,743	28,617,416
Federal sources	54,752	-	3,302,123	-	-	-	3,646,858	7,003,733
Temporary loans	12,078,545	-	-	6,318,554	-	-	5,483,000	23,880,099
Other	1,068	-	-	-	13,771	-	14,381	29,220
<b>Total receipts</b>	<b>59,528,783</b>	<b>-</b>	<b>3,302,123</b>	<b>26,175,690</b>	<b>7,182,718</b>	<b>40</b>	<b>20,271,837</b>	<b>116,461,191</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	24,328,517	-	-	-	-	-	2,352,935	26,681,452
Support services	10,754,232	-	-	-	2,778,692	6,994	5,958,906	19,498,824
Noninstructional services	604,487	-	-	-	-	-	2,652,785	3,257,272
Facilities acquisition and construction	-	-	-	-	2,130,810	402,313	28,194	2,561,317
Debt services	22,247,545	-	-	26,133,829	-	-	6,248,147	54,629,521
Nonprogrammed charges	1,823,797	-	-	-	-	-	254,152	2,077,949
<b>Total disbursements</b>	<b>59,758,578</b>	<b>-</b>	<b>-</b>	<b>26,133,829</b>	<b>4,909,502</b>	<b>409,307</b>	<b>17,495,119</b>	<b>108,706,335</b>
Excess (deficiency) of receipts over disbursements	(229,795)	-	3,302,123	41,861	2,273,216	(409,267)	2,776,718	7,754,856
<b>Other financing sources (uses):</b>								
Sale of capital assets	20,774	-	-	-	-	-	-	20,774
Transfers in	-	3,388	-	-	-	-	135,834	139,222
Transfers out	(33,487)	-	-	(9,946)	-	-	(96,540)	(139,973)
<b>Total other financing sources (uses)</b>	<b>(12,713)</b>	<b>3,388</b>	<b>-</b>	<b>(9,946)</b>	<b>-</b>	<b>-</b>	<b>39,294</b>	<b>20,023</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(242,508)	3,388	3,302,123	31,915	2,273,216	(409,267)	2,816,012	7,774,879
Cash and investments - beginning	4,434,839	1,071,484	-	86,853	2,108,142	1,888,466	127,569	9,717,353
Cash and investments - ending	<u>\$ 4,192,331</u>	<u>\$ 1,074,872</u>	<u>\$ 3,302,123</u>	<u>\$ 118,768</u>	<u>\$ 4,381,358</u>	<u>\$ 1,479,199</u>	<u>\$ 2,943,581</u>	17,492,232
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								2,954,946
Net assets of governmental activities								<u>\$ 20,447,178</u>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 4,192,331	\$ 1,074,872	\$ 3,302,123	\$ -	\$ 4,381,358	\$ 1,479,199	\$ 2,943,581	\$ 17,373,464
Restricted assets:								
Cash and investments	-	-	-	118,768	-	-	-	118,768
<b>Total cash and investment assets - ending</b>	<u>\$ 4,192,331</u>	<u>\$ 1,074,872</u>	<u>\$ 3,302,123</u>	<u>\$ 118,768</u>	<u>\$ 4,381,358</u>	<u>\$ 1,479,199</u>	<u>\$ 2,943,581</u>	<u>\$ 17,492,232</u>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 118,768	\$ -	\$ -	\$ -	\$ 118,768
Unrestricted	4,192,331	1,074,872	3,302,123	-	4,381,358	1,479,199	2,943,581	17,373,464
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,192,331</u>	<u>\$ 1,074,872</u>	<u>\$ 3,302,123</u>	<u>\$ 118,768</u>	<u>\$ 4,381,358</u>	<u>\$ 1,479,199</u>	<u>\$ 2,943,581</u>	<u>\$ 17,492,232</u>

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Employer contributions	\$ 5,771,151
Employee contributions	2,083,332
Other	259,511
Total operating receipts	8,113,994
Operating disbursements:	
Insurance claims and expense	4,935,099
Excess (deficiency) of operating receipts over operating disbursements	3,178,895
Transfers out	(257,908)
Change in net assets	2,920,987
Cash and investment fund balance - beginning	738,509
Cash and investment fund balance - ending	\$ 3,659,496
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 3,659,496
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 3,659,496

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2009

	Internal Service Fund
Operating receipts:	
Employer contributions	\$ 3,718,072
Employee contributions	988,902
Other	190,313
Total operating receipts	4,897,287
Operating disbursements:	
Insurance claims and expense	5,602,588
Excess (deficiency) of operating receipts over operating disbursements	(705,301)
Transfers in	751
Change in net assets	(704,550)
Cash and investment fund balance - beginning	3,659,496
Cash and investment fund balance - ending	\$ 2,954,946
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 2,954,946
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 2,954,946

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

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

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 7,028	\$ 131,289	
Investment earnings:			
Interest	2,141	154	
Total additions	9,169	131,443	
Deductions:			
Benefits	307,818	-	
Administrative and general	-	323,880	
Total deductions	307,818	323,880	
Excess (deficiency) of total additions over total deductions	(298,649)	(192,437)	
Restated cash and investment fund balance - beginning (Note III. C.)	5,068,583	463,568	
Cash and investment fund balance - ending	\$ 4,769,934	\$ 271,131	\$ 591,001
Net assets:			
Cash and investments held in trust	\$ 4,769,934	\$ 271,131	

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

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

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 110,338	
Investment earnings:			
Interest	91	-	
Total additions	91	110,338	
Deductions:			
Benefits	99,883	-	
Administrative and general	-	150,728	
Total deductions	99,883	150,728	
Excess (deficiency) of total additions over total deductions	(99,792)	(40,390)	
Cash and investment - beginning	4,769,934	271,131	
Cash and investment - ending	\$ 4,670,142	\$ 230,741	\$ 830,781
Net assets:			
Cash and investments held in trust	\$ 4,670,142	\$ 230,741	

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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 other school corporations in a joint venture to operate the Northwest Indiana Special Education Cooperative (NWISEC) which was created to provide educational instruction for children with special needs. The School Corporation is obligated by contract to remit a funding percentage based upon assessed valuation at March 1 of the previous year and the Average Daily Membership as compared to the total of all member school corporations, as determined annually. The governing board of the NWISEC consists of a member selected by each participating school corporation. The board has full authority to manage NWISEC, including responsibility for fiscal matters. The NWISEC's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Northwest Indiana Special Education Cooperative can be obtained from its administrative office at 2150 West 97<sup>th</sup> Avenue, Crown Point, IN 46307.

The School Corporation is a participant with other participating school corporations in a joint venture to operate the Northwest Indiana Public School Study Council (Study Council) which was created to improve education, and study the problems and issues involved in public education. The School Corporation is obligated by contract to remit \$1,000 annually to supplement the Study Council. Complete financial statements for the Northwest Indiana Public School Study Council can be obtained from Merrillville Community School Corporation, 6701 Delaware Street, Merrillville, IN 46410.

The School Corporation is a participant with other school corporations in a joint venture to operate the Northwest Indiana Educational Service Center (Service Center) which was created to promote cooperation and sharing of programs, such as curriculum development, instructional materials, needs assessments, computer utilization, and in-service education. The School Corporation provides funding based upon Average Daily Membership counts as determined annually. The Service Center's governing board has full authority to manage the Service Center, including responsibility for fiscal matters. Complete financial statements for the Northwest Indiana Educational Service Center can be obtained from the Service Center's Administrative Office, 2939 41<sup>st</sup> Street, Highland, IN 46322.

The School Corporation is a participant with other participating school corporations in a joint venture to operate the Northwest Indiana Natural Gas Cooperative (Gas Cooperative), which was created to procure natural gas in a more economical and efficient manner. The Gas Cooperative

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

operates under the authority of the Northwest Indiana Educational Service Center. The School Corporation provides funding for administrative costs based upon a percentage basis of the Average Daily Membership counts of all participants, not to exceed \$10,000. Complete financial statements for the Northwest Indiana Natural Gas Cooperative can be obtained from the Service Center's Administration Office, 2939 41<sup>st</sup> Street, Highland, IN 46322.

The School Corporation is a participant with other participating school corporations of Lake, LaPorte, and Porter Counties and local universities in a joint venture to operate the Lakeshore Alliance for Student Success, Inc. (LASS), which was created to implement research-based strategies in order to improve student and organizational performance. The School Corporation is obligated by contract to remit \$500 per school building annually. The governing board of the LASS consists of two members from each participating school corporation, the school superintendent, and the teacher union president. The board has full authority to manage LASS, including responsibility for fiscal matters. Complete financial statements for the Lakeshore Alliance for Student Success, Inc., can be obtained from its administrative office at 56 S. Washington Street, Suite 302, Valparaiso, IN 46383.

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 Merrillville Multi-School Building Corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The insurance reserve fund is used to pay health insurance related obligations or for any other purpose deemed relevant for school operations by the Board of School Trustees.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fiscal stabilization-education (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

The 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 construction – High School & Pierce fund is used to account for receipts derived from the sale of capital assets and disbursements for capital outlay.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for medical benefits provided to other funds on a cost-reimbursement basis.

The pension trust fund accounts for the activities of the severance liability/new pension fund, which accumulates resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the individuals who attend classes at the School Corporation.

Agency funds account for assets held by the School Corporation as an agent for federal, state, and private entities and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2007, disbursements exceeded budgeted appropriations in the debt service fund by \$347,078 due to the amount of interest paid on tax anticipation warrants. These disbursements were funded by available cash balance.

C. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund	2008	2009
Textbook Rental	\$ 367,903	\$ 765,709
Alternative Education	37,529	93,485
MASH Program	358	1,275
MASH Program 08/09	-	230
Technology Advance	160,014	-
Adult Education	499,666	755,269
Graphic Arts	17,523	25,761
Title I 06/07 School Improvement	4,616	-
Title I 07/08 School Improvement	967	-
Title I 07/08 Delinquent	29,459	-
Title I 08/09 Delinquent	-	645
Title I 06/07	21,481	-
Title V 06/07	376	-
Title V 07/08	9,233	-
Drug Free 07/08	2,366	-
Title II Improving 07/08	25,410	-
Title II Improving 08/09	-	25,254
Title III Part A, 07/08	-	36
Debt Service Severance Bond	124,710	105,698
Foster Ride Scholarship	7	7
Small Learning Community	-	19,880

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation's deposit policy for custodial credit risk is to deposit only in State approved depositories in accordance with Indiana Code. At June 30, 2009, the School Corporation had deposit balances in the amount of \$26,178,842. 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.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

Statutory Authorization for Investments

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

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

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

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
General	Insurance Reserve	\$ -	\$ 3,388
	Other governmental funds	-	30,099
Debt Service	Other governmental funds	119,975	9,946
Construction - High School & Pierce	Capital Projects	842,282	-
Other governmental funds	Other governmental funds	27,656	95,789
	Internal Service Fund	-	751
Internal Service Fund	General	257,908	-
Totals		<u>\$ 1,247,821</u>	<u>\$ 139,973</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 2007	Fund Reclassification	Balance as Restated July 1, 2007
Governmental activities	\$ 17,345,786	\$ (341,998)	\$ 17,003,788
Governmental funds	16,607,277	(341,998)	16,265,279
Fiduciary funds:			
Private-purpose trust funds	121,570	341,998	463,568

D. Tax Anticipation Warrants

Tax anticipation warrant outstanding balances as of June 30, 2008 and 2009 are detailed in the following schedule:

Fund	2008	2009
General	\$ 10,169,000	\$ -
Transportation Operating	1,680,000	2,500,000
Debt Service	3,478,000	1,918,087
Debt Service Severance Bond	342,000	-
Totals	<u>\$ 15,669,000</u>	<u>\$ 4,418,087</u>

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; 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.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Job Related Illnesses or Injuries to Employees

The School Corporation has chosen to finance risks associated with job related illnesses or injuries to employees through the General, Transportation Operating, and Food Service Funds. An excess policy through commercial insurance covers individual claims in excess of \$200,000 each occurrence. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are budgeted in the General, Transportation Operating, and Food Service Funds for payment of claims for job related illnesses or injuries to employees.

Medical Benefits to Employees, Retirees, and Dependents

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

B. Holding Corporation

The School Corporation has entered into capital leases with Merrillville Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ending June 30, 2008 and June 30, 2009 totaled \$15,069,500 and \$16,682,500, respectively.

C. Reassessment and Property Taxes

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2007, 2008, or 2009, as required by statute due to continued delay caused in the completion of the reassessment of Lake County. The final settlement of taxes which were to be distributed to the school corporation as of December 31, 2007 and 2008, were not distributed until March 2008 and 2009, respectively. Starting January 1, 2009, the School Corporation's General Fund will not be supported by property taxes. The State of Indiana started funding the School Corporation's General Fund. As of June 30, 2009, the School Corporation had not received any 2009 property tax collections.

D. Subsequent Events

Property Taxes

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2009, as required by statute due to continued delay in the completion of the reassessment of Lake County. The 2008 payable 2009 property tax rates were approved on July 31, 2009. The County sent the bills in October 2009, which were due in

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

two installments on October 28 and November 30, 2009. The School Corporation received a partial payment on November 3 and 25, 2009. Final settlement of property tax collections are not expected until early 2010.

School Technology Advancement Loan

On September 1, 2009, the School Board approved a petition to the Indiana State Board of Education for a loan for \$140,420 from the School Technology Advancement Account for fiscal year 2010. The School Corporation was awarded the loan; however, no drawdowns have been received as of January 7, 2010.

Contract Agreements

On September 15, 2009, the School Board approved the 2009-2010 teacher agreement. The two year agreement (January 1, 2009 until December 31, 2010) includes a 3% salary increase retroactive to January 1, 2009, and a 1% salary increase beginning January 1, 2010.

On October 27, 2009, the School Board approved the food service and bus drivers' agreements. The food service agreement is effective January 1, 2009 through December 31, 2011, and the bus drivers' agreement is effective January 1, 2009 through December 31, 2010. They both include a 3% salary increase retroactive to January 1, 2009 and a 1% salary increase beginning January 1, 2010.

On December 1, 2009, the School Board approved for the administrators, central office clerical, nurses, security, social workers and technology staff a 3% salary increase retroactive to January 1, 2009 and a 1% salary increase beginning January 1, 2010.

On December 15, 2009, the School Board approved the clerical and custodial/maintenance agreements which include a 3% salary increase retroactive to January 1, 2009 and a 1% salary increase beginning January 1, 2010.

Tax Anticipation Warrants

On December 31, 2009, the School Corporation repaid the outstanding tax anticipation warrants from June 30, 2009, for the Transportation Operating and Debt Service Funds for \$2,500,000 and \$1,918,087, respectively, including interest totaling \$101,647.92.

On November 17, 2009, the School Board approved Resolution #611 for the issuance of tax anticipation warrants for the Debt Service, Transportation Operating, and Debt Service Severance Bond funds not to exceed \$19,447,559, \$4,287,243, and \$1,284,221, respectively, for 2010.

Merrillville Intermediate School Classroom and Storage Room Project

On November 17, 2009, the School Board approved Lorenz William Clinton (LWC) to create specs, publish the advertisements, and recommend the awarding of bids for the intermediate school classroom and storage room project. The project is estimated to cost \$411,100 to be paid from the Elementary Construction Fund. On January 5, 2010, the School Board awarded the contract to Gibson Lewis, LLC.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Computer Purchase

On December 15, 2009, the School Board approved the purchase of 632 computers from ACE at \$673.01 per unit totaling \$425,342.32 to be purchased through the Merrillville Multi-School Building Corporation.

General Fund Revenue Reduction

Due to the continued decrease in estimated State revenues, the State of Indiana will reduce funding to K-12 schools by \$297 million in calendar 2010 beginning with their January payment. The reduction will be applied evenly to all school corporations using the current funding formula. It represents 2.7% of the total \$11 billion schools receive from all sources or 3.5% of current State funding. The School Corporation was notified by the State of Indiana that their State support would be reduced by 4.5%.

E. Termination Benefits

Administrators Severance Benefits

Administrators who sever employment with a minimum of three years of service with the School Corporation may elect to receive \$200 per year for each year of active service in the Merrillville School Corporation. In lieu of the above severance benefit, administrators may elect to instead be paid \$55 per day for each unused sick day accumulated at the end of service to the School Corporation. For the 2008-2009 fiscal year, no disbursements were made to administrators.

Administrators Retirement Benefits

Effective January 1, 2009, a Post Retirement 403(b) Program ("the program") was established. Administrators 50 years of age or over, with at least 8 years of experience in the Merrillville Community School Corporation, may elect to retire from the School Corporation and receive during their last year of service, in addition to their regular salary, an amount equal to \$200 for each year of service in the Merrillville School Corporation, and an amount equal to \$55 per day for each of their remaining unused sick days. A retiring administrator shall receive \$2,000 of his/her retirement benefits during his/her final school year of employment. One half of the remaining retirement benefits shall be deposited into an account in the 403(b) Program on behalf of an administrator during the month of August following the administrator's retirement. The other one half of the remaining retirement benefit shall be deposited into an account in the 403(b) Program on behalf of the administrator during August of the following year. For the 2008-2009 fiscal year, \$7,438 was contributed to a 403(b) program for 1 administrator.

Teachers Retirement Benefits

Effective January 1, 2006, a Post Retirement 403(b) Program ("the program") was established. Teachers 50 years of age or over and with at least 10 years of service in the Merrillville Community School Corporation may elect to retire from the school corporation and receive, during their last year of service, in addition to their regular salary, an amount equal to \$200 for each year of service in the Merrillville Community School Corporation, and an amount equal to \$50 per day for each of their remaining unused sick days. A retiring teacher shall receive \$2,000 of his/her retirement benefits during his/her final school year of employment. One half of the remaining retirement benefits shall be deposited into an account in the 403(b) Program on behalf of a

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
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teacher during the month of August following the teacher's retirement. The other one half of the remaining retirement benefit shall be deposited into an account in the 403(b) Program on behalf of the teacher during August of the following year. For the 2008-2009 fiscal year, \$52,925 was contributed to a 403(b) program for 10 teachers.

Other Classifications Retirement Severance Plans

For the bus drivers and food service employees hired before January 1, 2005, support personnel hired before January 1, 2006, information technology services employees, nurses, security personnel, traffic control supervisor, and social workers, the School Corporation will pay retirement benefits if (1) the employee has at least 10 years of continuous employment in any capacity with the Merrillville Community School Corporation and (2) the employee's age and years of service within the Merrillville Community School Corporation total 60.

Severance pay shall be computed as follows at the rate of wages in effect in the year of the retirement:

Years of Service	Percentage of Accumulated Sick Leave
10	25%
11	27½ %
12	30%
13	32½%
14	35%
15	37½%
16	40%
17	42½%
18	45%
19	47½%
20	50%

In order to further compensate for long service with the Merrillville Community School Corporation, the following schedule will be observed:

Continuous Years of Service	Payment
10	\$ 100
15	300
20	600
25	1,000
30	1,500

For the 2008-2009 fiscal year, \$21,812 was paid to 11 retiring employees.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Other Postemployment Benefits

Administrators Retirement Insurance

For administrators hired by the Merrillville Community School Corporation in the capacity of administrators after July 1, 1992, but prior to July 1, 2006, the following shall apply:

Retired administrators with at least 25 years of total experience in public education, at least 55 years of age, with at least 8 years of experience as an administrator in the Merrillville Community School Corporation, are eligible to receive the administrators' medical and dental health insurance benefits program for an annual cost of \$1.00. The Board's contribution toward the cost of the retired administrators' medical and dental health insurance benefits program shall be up to a maximum of \$16,000 per year. This benefit shall be terminated when the retired administrator becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. However, the spouse of the retired administrator shall be eligible to remain on the medical and dental health insurance benefits program after the retired administrator becomes eligible for Medicare coverage as prescribed by U.S.C. 1395 et seq., or the death of the retired administrator, provided the spouse pays the full cost of the insurance premiums. The spouse shall be eligible to remain on the medical and dental health insurance benefits program until the spouse is eligible for Medicare coverage as prescribed by U.S.C. 1395 et seq. Eligibility for a retired administrator to receive this retirement benefit will cease if a retired administrator becomes employed in a position where family health insurance benefits are available at a cost to the retired administrator for no more than \$50 per month.

For administrators hired by the Merrillville Community School Corporation in the capacity of administrators prior to July 1, 1992, the following shall apply:

Retired administrators with at least 25 years of total experience in public education, at least 55 years of age, with at least 8 years of experience as an administrator in the Merrillville Community School Corporation, are eligible to receive the administrators' medical and dental health insurance benefits program for an annual cost of \$1.00. This benefit shall be terminated when the retired administrator becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. This benefit will, however, continue beyond the period where the administrator becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or death of the retired administrator, at an annual cost of \$1.00 to the surviving spouse until such surviving spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. This benefit to the surviving spouse will be terminated in the event of remarriage of the surviving spouse.

G. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
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(Continued)

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

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the years ending June 30, 2008 and 2009, were \$802,432 and \$923,411, respectively.

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

Teachers' Retirement Fund

Plan Description

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

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

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

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Funding Policy

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

The School Corporation's contributions to the plan during the years ending June 30, 2008 and 2009, were \$1,432,985 and \$1,520,929, respectively.

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	Transportation Operating	Special Education Preschool	Food Service	Textbook Rental	Excess Levy	Education Plate	Alternative Education
<b>Receipts:</b>							
Local sources	\$ 3,737,702	\$ 45,099	\$ 1,381,337	\$ 734,219	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	2,737	-
State sources	-	134,465	24,683	254,797	-	-	28,644
Federal sources	-	-	1,343,050	-	-	-	-
Temporary loans	4,065,076	-	-	-	-	-	-
Other	8,226	-	1,815	-	-	-	-
<b>Total receipts</b>	<b>7,811,004</b>	<b>179,564</b>	<b>2,750,885</b>	<b>989,016</b>	<b>-</b>	<b>2,737</b>	<b>28,644</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	75,197
Support services	3,621,231	1,575	1,935	273,188	-	-	-
Noninstructional services	-	-	2,801,058	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	3,985,076	-	-	-	-	-	-
Nonprogrammed charges	-	103,415	-	-	-	-	-
<b>Total disbursements</b>	<b>7,606,307</b>	<b>104,990</b>	<b>2,802,993</b>	<b>273,188</b>	<b>-</b>	<b>-</b>	<b>75,197</b>
Excess (deficiency) of receipts over disbursements	204,697	74,574	(52,108)	715,828	-	2,737	(46,553)
<b>Other financing sources (uses):</b>							
Sale of capital assets	345	-	-	1,574	-	-	-
Transfers in	-	-	-	119,975	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>121,549</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	205,042	74,574	(52,108)	837,377	-	2,737	(46,553)
Cash and investments - beginning	(2,552)	-	698,425	(1,205,280)	15,564	20,282	9,024
Cash and investments - ending	\$ 202,490	\$ 74,574	\$ 646,317	\$ (367,903)	\$ 15,564	\$ 23,019	\$ (37,529)
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 202,490	\$ 74,574	\$ 646,317	\$ (367,903)	\$ 15,564	\$ 23,019	\$ (37,529)
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ 202,490	\$ 74,574	\$ 646,317	\$ (367,903)	\$ 15,564	\$ 23,019	\$ (37,529)

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	MASH Program	Gifted and Talented 05/06	Gifted and Talented 06/07	Gifted and Talented Mini	Technology Advance	Adult Education	Teacher Quality
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 722,673	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	12,113	-	-	-	178,718	113,082	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	27,317	-
<b>Total receipts</b>	<b>12,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,718</b>	<b>863,072</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,241	482	184	-	-	1,028,679	-
Support services	11,230	-	-	-	338,732	2,295	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>12,471</b>	<b>482</b>	<b>184</b>	<b>-</b>	<b>338,732</b>	<b>1,030,974</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(358)	(482)	(184)	-	(160,014)	(167,902)	-
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
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	(358)	(482)	(184)	-	(160,014)	(167,902)	-
Cash and investments - beginning	-	5,683	184	539	-	(331,764)	500
Cash and investments - ending	<u>\$ (358)</u>	<u>\$ 5,201</u>	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ (160,014)</u>	<u>\$ (499,666)</u>	<u>\$ 500</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ (358)</u>	<u>\$ 5,201</u>	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ (160,014)</u>	<u>\$ (499,666)</u>	<u>\$ 500</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ (358)</u>	<u>\$ 5,201</u>	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ (160,014)</u>	<u>\$ (499,666)</u>	<u>\$ 500</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 (Continued)

	Drug Free Mini Grant	Non-English Speaking	Intelenet II	Early Learners II	Summer Teacher Training	DARE 02/03	Graphic Arts
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,117
Intermediate sources	-	-	-	-	-	-	-
State sources	5,500	25,141	12,547	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,500</b>	<b>25,141</b>	<b>12,547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,117</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	5,616	617	-	-	-	-	38,562
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,616</b>	<b>617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,562</b>
Excess (deficiency) of receipts over disbursements	(116)	24,524	12,547	-	-	-	(8,445)
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
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	(116)	24,524	12,547	-	-	-	(8,445)
Cash and investments - beginning	744	-	6,617	3,405	500	313	(9,078)
Cash and investments - ending	<u>\$ 628</u>	<u>\$ 24,524</u>	<u>\$ 19,164</u>	<u>\$ 3,405</u>	<u>\$ 500</u>	<u>\$ 313</u>	<u>\$ (17,523)</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 628</u>	<u>\$ 24,524</u>	<u>\$ 19,164</u>	<u>\$ 3,405</u>	<u>\$ 500</u>	<u>\$ 313</u>	<u>\$ (17,523)</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 628</u>	<u>\$ 24,524</u>	<u>\$ 19,164</u>	<u>\$ 3,405</u>	<u>\$ 500</u>	<u>\$ 313</u>	<u>\$ (17,523)</u>

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 (Continued)

	Title I 06/07 School Improvement	Title I 07/08 School Improvement	Title I 06/07 Delinquent	Title I 07/08	Title I 07/08 Delinquent	Title I 06/07	Title V 06/07
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	24,000	23,923	200,007	56,419	4,616	1,535
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>24,000</b>	<b>23,923</b>	<b>200,007</b>	<b>56,419</b>	<b>4,616</b>	<b>1,535</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,663	21,903	-	172,296	78,123	30,313	-
Support services	12,473	3,064	-	8,348	7,755	4,126	1,911
Noninstructional services	-	-	-	2,136	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>14,136</b>	<b>24,967</b>	<b>-</b>	<b>182,780</b>	<b>85,878</b>	<b>34,439</b>	<b>1,911</b>
Excess (deficiency) of receipts over disbursements	(14,136)	(967)	23,923	17,227	(29,459)	(29,823)	(376)
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
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	(14,136)	(967)	23,923	17,227	(29,459)	(29,823)	(376)
Cash and investments - beginning	9,520	-	(22,746)	-	-	8,342	-
Cash and investments - ending	<u>\$ (4,616)</u>	<u>\$ (967)</u>	<u>\$ 1,177</u>	<u>\$ 17,227</u>	<u>\$ (29,459)</u>	<u>\$ (21,481)</u>	<u>\$ (376)</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ (4,616)</u>	<u>\$ (967)</u>	<u>\$ 1,177</u>	<u>\$ 17,227</u>	<u>\$ (29,459)</u>	<u>\$ (21,481)</u>	<u>\$ (376)</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ (4,616)</u>	<u>\$ (967)</u>	<u>\$ 1,177</u>	<u>\$ 17,227</u>	<u>\$ (29,459)</u>	<u>\$ (21,481)</u>	<u>\$ (376)</u>

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 (Continued)

	Title V 03/04	Title V 07/08	Title V 05/06	Title II 03-239	Drug Free 04/05	Drug Free 05/06	Drug Free 06/07
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	15,006	-	-	-	10,069
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>15,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,069</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	9,975	17,336	1,306
Support services	-	34,233	4,439	-	-	-	3,517
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>34,233</b>	<b>4,439</b>	<b>-</b>	<b>9,975</b>	<b>17,336</b>	<b>4,823</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>(34,233)</b>	<b>10,567</b>	<b>-</b>	<b>(9,975)</b>	<b>(17,336)</b>	<b>5,246</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	2,656	25,000	-	-	-	-	-
Transfers out	-	-	-	(2,656)	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,656</b>	<b>25,000</b>	<b>-</b>	<b>(2,656)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,656</b>	<b>(9,233)</b>	<b>10,567</b>	<b>(2,656)</b>	<b>(9,975)</b>	<b>(17,336)</b>	<b>5,246</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,656</b>	<b>10,179</b>	<b>24,748</b>	<b>5,559</b>
<b>Cash and investments - ending</b>	<b>\$ 2,656</b>	<b>\$ (9,233)</b>	<b>\$ 10,567</b>	<b>\$ -</b>	<b>\$ 204</b>	<b>\$ 7,412</b>	<b>\$ 10,805</b>
<b>Cash and Investment Assets - Ending</b>							
<b>Cash and investments</b>	<b>\$ 2,656</b>	<b>\$ (9,233)</b>	<b>\$ 10,567</b>	<b>\$ -</b>	<b>\$ 204</b>	<b>\$ 7,412</b>	<b>\$ 10,805</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Unrestricted</b>	<b>\$ 2,656</b>	<b>\$ (9,233)</b>	<b>\$ 10,567</b>	<b>\$ -</b>	<b>\$ 204</b>	<b>\$ 7,412</b>	<b>\$ 10,805</b>

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

	Drug Free 07/08	Title II Part A, 05/06	Title II Improving 06/07	Step Ahead	Title II Improving 07/08	Title II Enhancement	Title III Part A, 07/08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	3,284	27,470	67,119	-	24,000	-	18,704
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>3,284</b>	<b>27,470</b>	<b>67,119</b>	<b>-</b>	<b>24,000</b>	<b>-</b>	<b>18,704</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,115	1,450	20,369	-	24,410	56	2,352
Support services	3,535	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,650</b>	<b>1,450</b>	<b>20,369</b>	<b>-</b>	<b>24,410</b>	<b>56</b>	<b>2,352</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,366)</b>	<b>26,020</b>	<b>46,750</b>	<b>-</b>	<b>(410)</b>	<b>(56)</b>	<b>16,352</b>
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(25,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(2,366)</b>	<b>26,020</b>	<b>46,750</b>	<b>-</b>	<b>(25,410)</b>	<b>(56)</b>	<b>16,352</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>(26,020)</b>	<b>-</b>	<b>1,435</b>	<b>-</b>	<b>2,668</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ (2,366)</b>	<b>\$ -</b>	<b>\$ 46,750</b>	<b>\$ 1,435</b>	<b>\$ (25,410)</b>	<b>\$ 2,612</b>	<b>\$ 16,352</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<b>\$ (2,366)</b>	<b>\$ -</b>	<b>\$ 46,750</b>	<b>\$ 1,435</b>	<b>\$ (25,410)</b>	<b>\$ 2,612</b>	<b>\$ 16,352</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<b>\$ (2,366)</b>	<b>\$ -</b>	<b>\$ 46,750</b>	<b>\$ 1,435</b>	<b>\$ (25,410)</b>	<b>\$ 2,612</b>	<b>\$ 16,352</b>

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

	Math, Science Partnership 07/08	Debt Service Severance Bond	Bus Purchases	Construction	Construction - Wood School	CISCO Academy	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ 1,462,529	\$ 749,467	\$ -	\$ -	\$ -	\$ 8,863,143
Intermediate sources	-	-	-	-	-	-	2,737
State sources	-	-	-	-	-	-	789,690
Federal sources	85,322	-	-	-	-	-	1,904,524
Temporary loans	-	1,307,672	-	-	-	-	5,372,748
Other	-	-	-	-	-	-	37,358
<b>Total receipts</b>	<b>85,322</b>	<b>2,770,201</b>	<b>749,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,970,200</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	80,381	-	-	-	-	-	1,614,626
Support services	-	-	673,183	-	-	-	5,006,770
Noninstructional services	-	-	-	-	-	-	2,803,194
Facilities acquisition and construction	-	-	-	405,592	2,997,338	-	3,402,930
Debt services	-	2,676,300	-	-	-	-	6,661,376
Nonprogrammed charges	-	-	-	-	-	-	103,415
<b>Total disbursements</b>	<b>80,381</b>	<b>2,676,300</b>	<b>673,183</b>	<b>405,592</b>	<b>2,997,338</b>	<b>-</b>	<b>19,592,311</b>
Excess (deficiency) of receipts over disbursements	4,941	93,901	76,284	(405,592)	(2,997,338)	-	(2,622,111)
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	1,919
Transfers in	-	-	-	-	-	-	147,631
Transfers out	-	-	-	-	-	-	(27,656)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,894</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,941	93,901	76,284	(405,592)	(2,997,338)	-	(2,500,217)
Cash and investments - beginning	10,000	(218,611)	185,699	405,592	3,008,659	7,000	2,627,786
Cash and investments - ending	<u>\$ 14,941</u>	<u>\$ (124,710)</u>	<u>\$ 261,983</u>	<u>\$ -</u>	<u>\$ 11,321</u>	<u>\$ 7,000</u>	<u>\$ 127,569</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 14,941</u>	<u>\$ (124,710)</u>	<u>\$ 261,983</u>	<u>\$ -</u>	<u>\$ 11,321</u>	<u>\$ 7,000</u>	<u>\$ 127,569</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 14,941</u>	<u>\$ (124,710)</u>	<u>\$ 261,983</u>	<u>\$ -</u>	<u>\$ 11,321</u>	<u>\$ 7,000</u>	<u>\$ 127,569</u>

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

	Transportation Operating	Special Education Preschool	Food Service	Textbook Rental	Excess Levy	Education Plate	Alternative Education
<b>Receipts:</b>							
Local sources	\$ 4,424,815	\$ 51,357	\$ 1,250,538	\$ 573,764	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	2,438	-
State sources	-	128,221	26,180	280,585	-	-	38,067
Federal sources	-	-	1,641,578	-	-	-	-
Temporary loans	5,100,000	-	-	-	-	-	-
Other	12,446	-	1,935	-	-	-	-
<b>Total receipts</b>	<b>9,537,261</b>	<b>179,578</b>	<b>2,920,231</b>	<b>854,349</b>	<b>-</b>	<b>2,438</b>	<b>38,067</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	12,338	94,023
Support services	3,754,667	-	1,815	1,260,597	-	-	-
Noninstructional services	-	-	2,651,492	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	4,280,000	-	-	-	-	-	-
Nonprogrammed charges	-	254,152	-	-	-	-	-
<b>Total disbursements</b>	<b>8,034,667</b>	<b>254,152</b>	<b>2,653,307</b>	<b>1,260,597</b>	<b>-</b>	<b>12,338</b>	<b>94,023</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,502,594</b>	<b>(74,574)</b>	<b>266,924</b>	<b>(406,248)</b>	<b>-</b>	<b>(9,900)</b>	<b>(55,956)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	8,442	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,442</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>1,502,594</b>	<b>(74,574)</b>	<b>266,924</b>	<b>(397,806)</b>	<b>-</b>	<b>(9,900)</b>	<b>(55,956)</b>
<b>Cash and investments - beginning</b>	<b>202,490</b>	<b>74,574</b>	<b>646,317</b>	<b>(367,903)</b>	<b>15,564</b>	<b>23,019</b>	<b>(37,529)</b>
<b>Cash and investments - ending</b>	<b>\$ 1,705,084</b>	<b>\$ -</b>	<b>\$ 913,241</b>	<b>\$ (765,709)</b>	<b>\$ 15,564</b>	<b>\$ 13,119</b>	<b>\$ (93,485)</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<b>\$ 1,705,084</b>	<b>\$ -</b>	<b>\$ 913,241</b>	<b>\$ (765,709)</b>	<b>\$ 15,564</b>	<b>\$ 13,119</b>	<b>\$ (93,485)</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<b>\$ 1,705,084</b>	<b>\$ -</b>	<b>\$ 913,241</b>	<b>\$ (765,709)</b>	<b>\$ 15,564</b>	<b>\$ 13,119</b>	<b>\$ (93,485)</b>

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

	MASH Program	MASH Program 08/09	Gifted and Talented 05/06	Gifted and Talented Mini	Technology Advance	Adult Education	Teacher Quality
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 711,664	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	2,673	-	-	852,999	109,318	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>2,673</b>	<b>-</b>	<b>-</b>	<b>852,999</b>	<b>820,982</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	1,072,520	-
Support services	917	2,903	-	-	692,985	4,065	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>917</b>	<b>2,903</b>	<b>-</b>	<b>-</b>	<b>692,985</b>	<b>1,076,585</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(917)	(230)	-	-	160,014	(255,603)	-
<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	(917)	(230)	-	-	160,014	(255,603)	-
Cash and investments - beginning	(358)	-	5,201	539	(160,014)	(499,666)	500
Cash and investments - ending	<u>\$ (1,275)</u>	<u>\$ (230)</u>	<u>\$ 5,201</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ (755,269)</u>	<u>\$ 500</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	<u>\$ (1,275)</u>	<u>\$ (230)</u>	<u>\$ 5,201</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ (755,269)</u>	<u>\$ 500</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	<u>\$ (1,275)</u>	<u>\$ (230)</u>	<u>\$ 5,201</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ (755,269)</u>	<u>\$ 500</u>

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

	Drug Free Mini Grant	Non-English Speaking	Non-English Speaking 08/09	Intelnet II	Early Learners II	Summer Teacher Training	DARE 02/03
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	28,032	26,668	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>28,032</b>	<b>26,668</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	515	24,524	1,784	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>515</b>	<b>24,524</b>	<b>1,784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(515)	(24,524)	26,248	26,668	-	-	-
<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	(515)	(24,524)	26,248	26,668	-	-	-
Cash and investments - beginning	628	24,524	-	19,164	3,405	500	313
Cash and investments - ending	\$ 113	\$ -	\$ 26,248	\$ 45,832	\$ 3,405	\$ 500	\$ 313
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 113	\$ -	\$ 26,248	\$ 45,832	\$ 3,405	\$ 500	\$ 313
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	\$ 113	\$ -	\$ 26,248	\$ 45,832	\$ 3,405	\$ 500	\$ 313

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
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 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Graphic Arts	DARE 08/09	DARE 09/10	Title I 06/07 School Improvement	Title I 07/08 School Improvement	Title I 06/07 Delinquent	Title I 07/08
<b>Receipts:</b>							
Local sources	\$ 8,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	5,000	4,000	-	-	-	-
Federal sources	-	-	-	-	16,000	-	19,000
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>8,549</b>	<b>5,000</b>	<b>4,000</b>	<b>-</b>	<b>16,000</b>	<b>-</b>	<b>19,000</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	16,600	3,524	-	-	7,938	-	35,850
Support services	187	-	-	-	7,095	-	1,745
Noninstructional services	-	-	-	-	-	-	611
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>16,787</b>	<b>3,524</b>	<b>-</b>	<b>-</b>	<b>15,033</b>	<b>-</b>	<b>38,206</b>
Excess (deficiency) of receipts over disbursements	(8,238)	1,476	4,000	-	967	-	(19,206)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	4,616	-	-	11,709
Transfers out	-	-	-	-	-	(1,177)	(9,730)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,616</b>	<b>-</b>	<b>(1,177)</b>	<b>1,979</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,238)	1,476	4,000	4,616	967	(1,177)	(17,227)
Cash and investments - beginning	(17,523)	-	-	(4,616)	(967)	1,177	17,227
Cash and investments - ending	<u>\$ (25,761)</u>	<u>\$ 1,476</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	<u>\$ (25,761)</u>	<u>\$ 1,476</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	<u>\$ (25,761)</u>	<u>\$ 1,476</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Title I 07/08 Delinquent	Title I 08/09 Delinquent	Title I 06/07	Title I 08/09	Title V 06/07	Title V 03/04	Title V 07/08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	27,015	339,479	-	1,183,730	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>27,015</b>	<b>339,479</b>	<b>-</b>	<b>1,183,730</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	268,706	-	580,951	-	-	-
Support services	-	71,418	-	121,433	-	2,656	3,275
Noninstructional services	-	-	-	682	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>340,124</b>	<b>-</b>	<b>703,066</b>	<b>-</b>	<b>2,656</b>	<b>3,275</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>27,015</b>	<b>(645)</b>	<b>-</b>	<b>480,664</b>	<b>-</b>	<b>(2,656)</b>	<b>(3,275)</b>
<b>Other financing sources (uses):</b>							
Transfers in	2,444	-	26,097	-	376	-	12,508
Transfers out	-	-	(4,616)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,444</b>	<b>-</b>	<b>21,481</b>	<b>-</b>	<b>376</b>	<b>-</b>	<b>12,508</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>29,459</b>	<b>(645)</b>	<b>21,481</b>	<b>480,664</b>	<b>376</b>	<b>(2,656)</b>	<b>9,233</b>
<b>Cash and investments - beginning</b>	<b>(29,459)</b>	<b>-</b>	<b>(21,481)</b>	<b>-</b>	<b>(376)</b>	<b>2,656</b>	<b>(9,233)</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ (645)</b>	<b>\$ -</b>	<b>\$ 480,664</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<b>\$ -</b>	<b>\$ (645)</b>	<b>\$ -</b>	<b>\$ 480,664</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<b>\$ -</b>	<b>\$ (645)</b>	<b>\$ -</b>	<b>\$ 480,664</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	Title V 05/06	Title V 08/09	Drug Free 04/05	Drug Free 05/06	Drug Free 06/07	Drug Free 07/08	Title II Improving 06/07
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	2,084	-	-	12,473	3,284	-	11,046
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,084</b>	<b>-</b>	<b>-</b>	<b>12,473</b>	<b>3,284</b>	<b>-</b>	<b>11,046</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	3,445	-	7,370	10,007	-	51,452
Support services	143	11,938	-	1,940	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>143</b>	<b>15,383</b>	<b>-</b>	<b>9,310</b>	<b>10,007</b>	<b>-</b>	<b>51,452</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,941</b>	<b>(15,383)</b>	<b>-</b>	<b>3,163</b>	<b>(6,723)</b>	<b>-</b>	<b>(40,406)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	37,508	-	5,000	7,412	11,494	-
Transfers out	(12,508)	-	-	(7,412)	(11,494)	-	(6,344)
<b>Total other financing sources (uses)</b>	<b>(12,508)</b>	<b>37,508</b>	<b>-</b>	<b>(2,412)</b>	<b>(4,082)</b>	<b>11,494</b>	<b>(6,344)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(10,567)</b>	<b>22,125</b>	<b>-</b>	<b>751</b>	<b>(10,805)</b>	<b>11,494</b>	<b>(46,750)</b>
<b>Cash and investments - beginning</b>	<b>10,567</b>	<b>-</b>	<b>204</b>	<b>7,412</b>	<b>10,805</b>	<b>(2,366)</b>	<b>46,750</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 22,125</b>	<b>\$ 204</b>	<b>\$ 8,163</b>	<b>\$ -</b>	<b>\$ 9,128</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<b>\$ -</b>	<b>\$ 22,125</b>	<b>\$ 204</b>	<b>\$ 8,163</b>	<b>\$ -</b>	<b>\$ 9,128</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Unrestricted</b>	<b>\$ -</b>	<b>\$ 22,125</b>	<b>\$ 204</b>	<b>\$ 8,163</b>	<b>\$ -</b>	<b>\$ 9,128</b>	<b>\$ -</b>

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

	Step Ahead	Title II Improving 07/08	Title II Improving 08/09	Title II Enhancement	Title III Part A, 07/08	Title III Part A, 08/09	Math, Science Partnership 07/08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	78,000	40,840	-	-	24,300	248,029
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>78,000</b>	<b>40,840</b>	<b>-</b>	<b>-</b>	<b>24,300</b>	<b>248,029</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	29,270	23,586	-	16,388	2,003	90,141
Support services	-	-	-	-	-	-	7,300
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>29,270</b>	<b>23,586</b>	<b>-</b>	<b>16,388</b>	<b>2,003</b>	<b>97,441</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>48,730</b>	<b>17,254</b>	<b>-</b>	<b>(16,388)</b>	<b>22,297</b>	<b>150,588</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	6,344	-	-	-	-	-
Transfers out	-	-	(42,508)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>6,344</b>	<b>(42,508)</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>-</b>	<b>55,074</b>	<b>(25,254)</b>	<b>-</b>	<b>(16,388)</b>	<b>22,297</b>	<b>150,588</b>
Cash and investments - beginning	1,435	(25,410)	-	2,612	16,352	-	14,941
Cash and investments - ending	<u>\$ 1,435</u>	<u>\$ 29,664</u>	<u>\$ (25,254)</u>	<u>\$ 2,612</u>	<u>\$ (36)</u>	<u>\$ 22,297</u>	<u>\$ 165,529</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	<u>\$ 1,435</u>	<u>\$ 29,664</u>	<u>\$ (25,254)</u>	<u>\$ 2,612</u>	<u>\$ (36)</u>	<u>\$ 22,297</u>	<u>\$ 165,529</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	<u>\$ 1,435</u>	<u>\$ 29,664</u>	<u>\$ (25,254)</u>	<u>\$ 2,612</u>	<u>\$ (36)</u>	<u>\$ 22,297</u>	<u>\$ 165,529</u>

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

	Debt Service Severance Bond	Bus Purchases	Construction	Construction - Wood School	CISCO Academy	Totals
<b>Receipts:</b>						
Local sources	\$ 1,604,159	\$ 945,578	\$ -	\$ 52,993	\$ -	\$ 9,623,417
Intermediate sources	-	-	-	-	-	2,438
State sources	-	-	-	-	-	1,501,743
Federal sources	-	-	-	-	-	3,646,858
Temporary loans	383,000	-	-	-	-	5,483,000
Other	-	-	-	-	-	14,381
<b>Total receipts</b>	<b>1,987,159</b>	<b>945,578</b>	<b>-</b>	<b>52,993</b>	<b>-</b>	<b>20,271,837</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	2,352,935
Support services	-	11,827	-	-	-	5,958,906
Noninstructional services	-	-	-	-	-	2,652,785
Facilities acquisition and construction	-	-	-	28,194	-	28,194
Debt services	1,968,147	-	-	-	-	6,248,147
Nonprogrammed charges	-	-	-	-	-	254,152
<b>Total disbursements</b>	<b>1,968,147</b>	<b>11,827</b>	<b>-</b>	<b>28,194</b>	<b>-</b>	<b>17,495,119</b>
Excess (deficiency) of receipts over disbursements	19,012	933,751	-	24,799	-	2,776,718
<b>Other financing sources (uses):</b>						
Transfers in	-	-	1,884	-	-	135,834
Transfers out	-	-	-	(751)	-	(96,540)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,884</b>	<b>(751)</b>	<b>-</b>	<b>39,294</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,012	933,751	1,884	24,048	-	2,816,012
Cash and investments - beginning	(124,710)	261,983	-	11,321	7,000	127,569
Cash and investments - ending	\$ (105,698)	\$ 1,195,734	\$ 1,884	\$ 35,369	\$ 7,000	\$ 2,943,581
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (105,698)	\$ 1,195,734	\$ 1,884	\$ 35,369	\$ 7,000	\$ 2,943,581
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ (105,698)	\$ 1,195,734	\$ 1,884	\$ 35,369	\$ 7,000	\$ 2,943,581

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2008

	Challenger Project	Northwest Indiana Coalition	Lakeshore Project	Skinner Scholarship	Schrenker Scholarship	Pepsi Scholarship	VESA Scholarship
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 67,500	\$ -	\$ -	\$ -	\$ -
Investment earnings:							
Interest	-	-	-	154	-	-	-
Total additions	-	-	67,500	154	-	-	-
Deductions:							
Administrative and general	-	2,455	288,816	750	250	1,500	250
Excess (deficiency) of total additions over total deductions	-	(2,455)	(221,316)	(596)	(250)	(1,500)	(250)
Cash and investment - beginning	450	2,455	300,090	81,364	276	7,500	2,665
Cash and Investments - ending	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 78,774</u>	<u>\$ 80,768</u>	<u>\$ 26</u>	<u>\$ 6,000</u>	<u>\$ 2,415</u>
Net assets:							
Cash and investments held in trust	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 78,774</u>	<u>\$ 80,768</u>	<u>\$ 26</u>	<u>\$ 6,000</u>	<u>\$ 2,415</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Foster Ride Scholarship	Raczka- Stochel Scholarship	Merrillville Education Foundation Grant	Miscellaneous Contributions	Djurich Scholarship	Dollars for Scholars	Pierce Planetarium
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 24,122	\$ 1,500	\$ -	\$ 25,374	\$ -
Investment earnings:							
Interest	-	-	-	-	-	-	-
Total additions	-	-	24,122	1,500	-	25,374	-
Deductions:							
Administrative and general	8	1,000	17,294	-	-	-	-
Excess (deficiency) of total additions over total deductions	(8)	(1,000)	6,828	1,500	-	25,374	-
Cash and investment - beginning	1	24,763	11,162	117	5,000	-	1,033
Cash and Investments - ending	<u>\$ (7)</u>	<u>\$ 23,763</u>	<u>\$ 17,990</u>	<u>\$ 1,617</u>	<u>\$ 5,000</u>	<u>\$ 25,374</u>	<u>\$ 1,033</u>
Net assets:							
Cash and investments held in trust	<u>\$ (7)</u>	<u>\$ 23,763</u>	<u>\$ 17,990</u>	<u>\$ 1,617</u>	<u>\$ 5,000</u>	<u>\$ 25,374</u>	<u>\$ 1,033</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Wellness Fund	Platinum Recycling Program	Pepsi Central Office	Vending Transportation Center	Superintendent Meeting Donations	Totals
Additions:						
Contributions:						
Other	\$ 10,984	\$ 1,204	\$ 122	\$ 483	\$ -	\$ 131,289
Investment earnings:						
Interest	-	-	-	-	-	154
Total additions	10,984	1,204	122	483	-	131,443
Deductions:						
Administrative and general	10,823	545	-	189	-	323,880
Excess (deficiency) of total additions over total deductions	161	659	122	294	-	(192,437)
Cash and investment - beginning	25,262	49	753	508	120	463,568
Cash and Investments - ending	<u>\$ 25,423</u>	<u>\$ 708</u>	<u>\$ 875</u>	<u>\$ 802</u>	<u>\$ 120</u>	<u>\$ 271,131</u>
Net assets:						
Cash and investments held in trust	<u>\$ 25,423</u>	<u>\$ 708</u>	<u>\$ 875</u>	<u>\$ 802</u>	<u>\$ 120</u>	<u>\$ 271,131</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009

	<u>Challenger Project</u>	<u>Lakeshore Project</u>	<u>Skinner Scholarship</u>	<u>Schrenker Scholarship</u>	<u>Pepsi Scholarship</u>	<u>VESA Scholarship</u>	<u>Foster Ride Scholarship</u>
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:							
Administrative and general	-	13,934	505	-	2,000	-	-
Excess (deficiency) of total additions over total deductions	-	(13,934)	(505)	-	(2,000)	-	-
Cash and investment fund balance - beginning	<u>450</u>	<u>78,774</u>	<u>80,768</u>	<u>26</u>	<u>6,000</u>	<u>2,415</u>	<u>(7)</u>
Cash and Investments - June 30	<u>\$ 450</u>	<u>\$ 64,840</u>	<u>\$ 80,263</u>	<u>\$ 26</u>	<u>\$ 4,000</u>	<u>\$ 2,415</u>	<u>\$ (7)</u>
Net assets:							
Cash and investments held in trust	<u>\$ 450</u>	<u>\$ 64,840</u>	<u>\$ 80,263</u>	<u>\$ 26</u>	<u>\$ 4,000</u>	<u>\$ 2,415</u>	<u>\$ (7)</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Raczka- Stochel Scholarship	Merrillville Education Foundation Grant	Miscellaneous Contributions	Small Learning Community	Djurich Scholarship	Dollars for Scholars	Pierce Planetarium
Additions:							
Contributions:							
Other	\$ -	\$ 20,231	\$ 5,514	\$ 82,409	\$ -	\$ -	\$ -
Deductions:							
Administrative and general	500	27,039	3,125	102,289	150	-	-
Excess (deficiency) of total additions over total deductions	(500)	(6,808)	2,389	(19,880)	(150)	-	-
Cash and investment fund balance - beginning	23,763	17,990	1,617	-	5,000	25,374	1,033
Cash and Investments - June 30	<u>\$ 23,263</u>	<u>\$ 11,182</u>	<u>\$ 4,006</u>	<u>\$ (19,880)</u>	<u>\$ 4,850</u>	<u>\$ 25,374</u>	<u>\$ 1,033</u>
Net assets:							
Cash and investments held in trust	<u>\$ 23,263</u>	<u>\$ 11,182</u>	<u>\$ 4,006</u>	<u>\$ (19,880)</u>	<u>\$ 4,850</u>	<u>\$ 25,374</u>	<u>\$ 1,033</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2009  
 (Continued)

	Wellness Fund	Platinum Recycling Program	Pepsi Central Office	Vending Transportation Center	Superintendent Meeting Donations	Totals
Additions:						
Contributions:						
Other	\$ 1,238	\$ 412	\$ 61	\$ 473	\$ -	\$ 110,338
Deductions:						
Administrative and general	110	76	-	1,000	-	150,728
Excess (deficiency) of total additions over total deductions	1,128	336	61	(527)	-	(40,390)
Cash and investment fund balance - beginning	<u>25,423</u>	<u>708</u>	<u>875</u>	<u>802</u>	<u>120</u>	<u>271,131</u>
Cash and Investments - June 30	<u>\$ 26,551</u>	<u>\$ 1,044</u>	<u>\$ 936</u>	<u>\$ 275</u>	<u>\$ 120</u>	<u>\$ 230,741</u>
Net assets:						
Cash and investments held in trust	<u>\$ 26,551</u>	<u>\$ 1,044</u>	<u>\$ 936</u>	<u>\$ 275</u>	<u>\$ 120</u>	<u>\$ 230,741</u>

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

	<u>Clearing</u>	<u>Food Service Clearing</u>	<u>Northwest Indiana Study Council</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 9,669,914	\$ 3,486	\$ 47,498	\$ 9,720,898
Deductions:				
Agency fund deductions	<u>10,410,416</u>	<u>1,077</u>	<u>19,017</u>	<u>10,430,510</u>
Excess (deficiency) of total additions over total deductions	(740,502)	2,409	28,481	(709,612)
Cash and investment fund balance - beginning	<u>1,266,385</u>	<u>21,398</u>	<u>12,830</u>	<u>1,300,613</u>
Cash and investment fund balance - ending	<u>\$ 525,883</u>	<u>\$ 23,807</u>	<u>\$ 41,311</u>	<u>\$ 591,001</u>

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

	<u>Clearing</u>	<u>Flex Spending</u>	<u>Food Service Clearing</u>	<u>Northwest Indiana Study Council</u>	<u>Totals</u>
Additions:					
Agency fund additions	\$ 9,687,174	\$ 16,527	\$ 15,362	\$ 23,157	\$ 9,742,220
Deductions:					
Agency fund deductions	9,482,469	3,531	1,095	15,345	9,502,440
Excess (deficiency) of total additions over total deductions	204,705	12,996	14,267	7,812	239,780
Cash and investment fund balance - beginning	525,883	-	23,807	41,311	591,001
Cash and investment fund balance - ending	<u>\$ 730,588</u>	<u>\$ 12,996</u>	<u>\$ 38,074</u>	<u>\$ 49,123</u>	<u>\$ 830,781</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 767,900
Land improvements	2,555,434
Buildings	150,112,029
Machinery and equipment	<u>16,716,832</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 170,152,195</u>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
June 30, 2009

The School Corporation has entered into the following long-term debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
1990/1992 Merrillville High School Improvements	\$ 10,244,993	\$ 8,705,000
2001 Pierce Middle School Improvements	20,350,000	2,340,500
2005 Intermediate and Three Elementary Schools Improvements	62,640,000	4,030,000
2008 Freshmen Center and Middle School Additions	54,925,000	2,000,000
2008 New field turf for football field	328,581	176,464
Common school loans:		
Loan A1033 Data Processing Instructional Equipment	17,455	17,555
Loan A1082 Data Processing Instructional Equipment	204,562	141,793
Loan A1124 Data Processing Instructional Equipment	69,612	48,252
Loan A1186 Data Processing Instructional Equipment	90,456	38,809
Loan A1237 Data Processing Instructional Equipment	128,081	40,003
Loan A1272 Shortfall	513,094	355,655
Loan A1289 Data Processing Instructional Equipment	614,743	151,261
Loan A1295 Data Processing Instructional Equipment	167,173	41,134
Loan A1321 Shortfall	221,875	95,140
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2002	4,875,000	793,040
Pension Bonds of 2006	4,745,000	451,992
<b>Total governmental activities debt</b>	<b>\$ 160,135,625</b>	<b>\$ 19,426,598</b>

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

Records presented for audit indicated that the Debt Service Fund's expenditures were in excess of approved budgeted appropriations for 2007 by \$347,078. The expenditures in excess of approved budgeted appropriations were due to the amount of interest paid on tax anticipation warrants.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at June 30, 2008 and 2009:

Fund	2008	2009
Textbook Rental	\$ 367,903	\$ 765,709
Alternative Education	37,529	93,485
MASH Program	358	1,275
MASH Program 08/09	-	230
Technology Advance	160,014	-
Adult Education	499,666	755,269
Graphic Arts	17,523	25,761
Title I 06/07 School Improvement	4,616	-
Title I 07/08 School Improvement	967	-
Title I 07/08 Delinquent	29,459	-
Title I 08/09 Delinquent	-	645
Title I 06/07	21,481	-
Title V 06/07	376	-
Title V 07/08	9,233	-
Drug Free 07/08	2,366	-
Title II Improving 07/08	25,410	-
Title II Improving 08/09	-	25,254
Title III Part A, 07/08	-	36
Debt Service Severance Bond	124,710	105,698
Foster Ride Scholarship	7	7
Small Learning Community	-	19,880

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

CLEARING FUND

The Clearing Fund receipts the employee portions of payroll deductions and subsequently disburses those deductions to the proper government agency or company. As of June 30, 2009, the Clearing Fund had a balance of \$730,588. The School Corporation remitted \$662,326 to government

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

agencies and insurance companies in July 2009, for deductions which were receipted to the Clearing Fund prior to June 30, 2009. The remaining \$68,262 balance could not be traced and identified with a subsequent payment. A similar comment appeared in the prior report.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

UNCLAIMED ACCUMULATED SCHOOL LUNCH PAYMENTS

The School Corporation has not addressed the accumulated balances of student's lunch "money on account." At June 30, 2008 and 2009, the balance in the Food Service Clearing Fund (840) was \$23,807 and \$38,074, respectively. These balances have grown since the inception of the pre-payment system. Additionally, the detail list of students with "money on account" does not agree to the fund balance.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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

ACADEMIC HONORS DIPLOMA

The School Corporation's supporting documentation reflected a count of 79 students that graduated with academic honors for the Class of 2007. The School Corporation reported 80 students to the Department of Education resulting in an overstatement of 1 student as an academic honors diploma recipient.

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

ADMINISTRATION OFFICE GENERIC RECEIPTS AND BUILDING RENTAL CONTRACTS

The Administration Office issues generic receipts for the collection of nonsufficient funds checks and building rental contracts.

The building rental contracts are not pre-numbered; therefore, we could not verify the accountability for all rental revenue.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE MERRILLVILLE COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Merrillville Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2009-1 and 2009-2.

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

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)

effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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. We consider the deficiencies in internal control over compliance described in items 2009-1 and 2009-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2009-1 to be material weaknesses.

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

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

STATE BOARD OF ACCOUNTS

January 7, 2010

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2008 and 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 252,720	\$ 308,196
National School Lunch Program	10.555		1,182,355	1,335,353
Summer Food Service Program for Children	10.559		<u>49,445</u>	<u>139,780</u>
Total for federal grantor agency			<u>1,484,520</u>	<u>1,783,329</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies Allocation	84.010			
		07-4600	34,439	-
		08-4600	182,780	47,936
		09-4600	-	731,080
Delinquent		08-4600	85,878	-
		09-4600	-	340,124
School improvement		08-4600	14,136	-
		09-4600	<u>24,967</u>	<u>15,033</u>
Total for program			<u>342,200</u>	<u>1,134,173</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	4600	-	<u>3,003</u>
Total for cluster			<u>342,200</u>	<u>1,137,176</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	4600	-	<u>1,166,509</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
		05-071	17,336	-
		4600-06	4,823	10,007
		4600-07	5,650	1,510
		08-4600	-	<u>7,800</u>
Total for program			<u>27,809</u>	<u>19,317</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		04-247	-	2,656
		05-109	4,439	12,651
		06-4600	1,911	-
		07-4600	34,233	3,275
		08-4600	-	<u>15,383</u>
Total for program			<u>40,583</u>	<u>33,965</u>
Pass-Through Indiana Department of Education English Language Acquisition Grants	84.365			
		FY 2007/2008	2,352	16,388
		FY 2008/2009	-	<u>2,003</u>
Total for program			<u>2,352</u>	<u>18,391</u>
Pass-Through Indiana Department of Education Mathematics and Science Partnerships Making Algebra Realistic Knowledge	84.366	MARK	<u>80,381</u>	<u>97,441</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		05-147	1,450	-
		06-4600	20,369	51,452
		07-4600	24,410	29,270
		08-4600	-	<u>23,586</u>
Total for program			<u>46,229</u>	<u>104,308</u>
Total for federal grantor agency			<u>539,554</u>	<u>2,577,107</u>
Total federal awards expended			<u>\$ 2,024,074</u>	<u>\$ 4,360,436</u>

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

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2008</u>	<u>2009</u>
National School Lunch Program	10.555	<u>\$ 118,672</u>	<u>\$ 137,874</u>

III. Subsequent Event

In August 2009, the School Corporation was awarded \$377,431 of American Recovery and Reinvestment Act (ARRA) of 2009 – Title II Part D Enhancing Education Through Technology Grant, CFDA #84.386 passed-through the Indiana Department of Education.

In June 2009, the School Corporation was awarded \$704,167.12 of American Recovery and Reinvestment Act (ARRA) of 2009 Title I Stimulus Grant CFDA #84.389 passed through the Indiana Department of Education. The School Corporation did not expend grant funds until September 2009.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	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?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

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? yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title I, Part A Cluster  
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2009-1, CHILD NUTRITION CLUSTER - REPORTING

Federal Agency: U.S. Department of Agriculture  
 Federal Programs: School Breakfast Program, National School Lunch Program,  
 Summer Food Service Program  
 CFDA Numbers: 10.553, 10.555, and 10.559  
 Federal Award Number: FY 2007-2008, FY 2008-2009  
 Pass-Through: Indiana Department of Education

The Annual Financial Report for programs in the Child Nutrition Cluster for the fiscal years ending June 30, 2008 and 2009, were filed 28 and 22 days late, respectively. Furthermore, the Annual Financial Reports were not in agreement with the School Corporation's financial records. The following table illustrates the differences between the Annual Financial Report filed with the Indiana Department of Education and the activity posted to the School Corporation's Food Service Fund:

	Annual Financial Report	Food Service Fund	Difference
Cash balance, 07-01-07	\$ 698,858	\$ 698,425	\$ 433
Annual receipts	2,888,290	2,750,885	137,405
Annual disbursements	<u>2,580,430</u>	<u>2,802,993</u>	<u>(222,563)</u>
Cash balance, 06-30-08	\$ 1,006,718	\$ 646,317	\$ 360,401
Annual receipts	2,920,230	2,920,230	-
Annual disbursements	<u>2,644,248</u>	<u>2,653,306</u>	<u>(9,058)</u>
Cash balance, 06-30-09	<u>\$ 1,282,700</u>	<u>\$ 913,241</u>	<u>\$ 369,459</u>

Additionally, students have the option to pay for meals in advance, rather than at the point of sale by establishing an account with the School Corporation. The amounts collected for deposit to a student account are receipted to the Food Service Clearing Fund (Fund 840) and posted to the student's accounts. As meals are purchased, the student's account balances decreases and the same amount is transferred from the Food Service Clearing Fund into the Food Service Fund (Fund 0800). Thus, the balance of the Food Service Clearing Fund and the balances of the students' accounts should agree at all times.

However, at June 30, 2008 and 2009, the detail report of all students' account balances did not agree to either the cash balance in the Food Service Clearing Fund (Fund 840) or the amount reported to the Indiana Department of Education on the Annual Financial Report – Balance of Accounts. Officials have not reconciled the students' account balances to the Food Service Clearing Fund. The differences are illustrated below:

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

	Detail Report of Students' Account Balances	Food Service Clearing Fund Balance	Annual Financial Report - Balance of Accounts
As of June 30, 2008	\$ 26,089	\$ 23,807	\$ 19,476
As of June 30, 2009	\$ 21,038	\$ 38,074	\$ 24,350

EDGAR 80.20(b)(1) states in part: "Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

Failure to adhere to reporting requirements may cause the School Corporation to be determined ineligible for future federal funding.

We recommended that School Officials review and reconcile reports submitted to the grantor agency for accuracy and agreement to the School Corporation's ledger. Reports should be remitted in a timely fashion. Officials should reconcile the students' account balances in the Meal Magic system to the School Corporation's Food Service Clearing Fund (840) on a monthly basis.

FINDING 2009-2, TITLE I - CASH MANAGEMENT

Federal Agency: Department of Education  
 Federal Programs: Title I Grants to Local Educational Agencies  
 CFDA Number: 84.010  
 Pass-Through Entity: Indiana Department of Education

The School Corporation was determined to have maintained excess cash balances where the fund balance at month end exceeded the subsequent month's expenditures for five months for the Title I Basic Grants, and six months for the Title I Delinquent Grants for the period of July 1, 2007 to June 30, 2009.

The School Corporation certified on the Title I Cash Requests that ". . . the amount of the estimated cash request will not result in a cash surplus greater than the estimated expenditures."

EDGAR 80.20(b)(7) states in part:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency."

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Failure to comply with the requirement could cause the School Corporation to be deemed ineligible to receive federal awards in the future.

We recommended that the School Corporation design and properly monitor procedures that would ensure that federal funds are requested as needed and that they are disbursed in a timely manner.



**MERRILLVILLE COMMUNITY  
SCHOOL CORPORATION**

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**ADMINISTRATION**

- ANTHONY M. LUX, Ph.D.  
Superintendent
- MARK B. SPERLING, Ed.D.  
Ass't Superintendent
- HILDA DAMIANICK  
Ass't To The Superintendent  
Business Affairs
- JAMES C. KURTH  
Director Personnel
- MARYLOU ROTH  
Director Transportation
- KELLY P. MURPHY  
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Information Technology  
Services
- JANELLE BOWEN  
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Media Services
- MARY McVADE  
Coordinator  
Student Data Services
- BRAD BEST  
Director Security
- GREG PIERSON  
Director  
Maintenance Services
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Director  
Adult  
Education/Community  
Services
- COLLEEN HOSTETLER  
Director Food Services
- CAROL BENNETT  
Public Information Officer

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Member
- MARK S. LUCAS  
Member

Summary Schedule of Prior Audit Findings

Finding Number: 2007-1

Finding Title: Title I – Cash Management

Original SBA Audit Report Number: B31726

Fiscal Year: 2005/2006 and 2006/2007

Auditee Contact Person: Hilda Damianick

Title of Contact Person: Asst. to Supt. for Bus. Affairs  
(Treasurer)

Phone Number: (219) 650-5300

Status of Finding: We have been paying the appropriate teacher contracts out of Title I and adjustments are made if necessary. We expect to make continued progress with our cash management in the Title I grant.

Hilda Damianick,  
Asst. to the Supt. for Business Affairs (Treasurer)

1-4-10

Date



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Member

**CORRECTIVE ACTION PLAN**

Section III – Federal Awards Findings and Questioned Costs

**FINDING 2009-2, TITLE I – CASH MANAGEMENT**

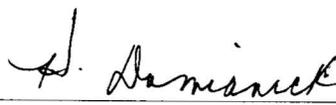
Federal Agency:	Department of Education
Federal Programs:	School Breakfast Program, National School Lunch Program, Summer Food Service Program
CFDA Numbers:	10.553, 10.555, and 10.559
Federal Award Number:	FY 2007-2008, FY 2008-2009
Pass-Through:	Indiana Department of Education
Auditee Contact Person:	Hilda Damianick
Title of Contact Person:	Assistant to the Superintendent for Business Affairs/Treasurer
Phone Number:	(219) 650-5300

Action to be taken to correct finding:

The discrepancy in the "Annual Financial Report" starting and ending cash balances will continue to be addressed. We have reviewed the balances and have reduced the difference for the 6/30/08 and the 6/30/09 balances from the stated \$360,401 and the \$369,459 to \$433.

Per a conversation between our Food Service Director and the Department of Education, a corrected "Annual Financial Report" will be submitted.

We will also address the balance difference for the student's "money on account".

Signed 

Date 1-13-10



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SCHOOL CORPORATION**

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**CORRECTIVE ACTION PLAN**

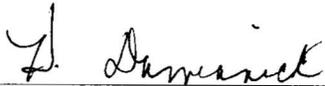
Section III – Federal Awards Findings and Questioned Costs

**FINDING 2009-2, TITLE I – CASH MANAGEMENT**

Federal Agency:	Department of Education
Federal Programs:	Title I Grants to Local Education Agencies
CFDA Numbers:	84.010
Federal Award Number:	FY 2007-2008, FY 2008-2009
Pass-Through:	Indiana Department of Education
Auditee Contact Person:	Hilda Damianick
Title of Contact Person:	Assistant to the Superintendent for Business Affairs/Treasurer
Phone Number:	(219) 650-5300

Action to be taken to  
correct finding:

We will review and address our current  
monitoring procedures and the timely  
disbursement of funds.

Signed 

Date 1-13-10

**BOARD  
OF  
SCHOOL TRUSTEES**

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Member

MERRILLVILLE COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2010, with Thomas Bainbridge, President of the School Board; Dr. Anthony Lux, Superintendent of Schools; Hilda Damianick, Assistant to the Superintendent for Business Affairs (Treasurer); and Janice Stojakovich, Assistant Treasurer. The official response has been made a part of this report and may be found on pages 72 and 73.



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Coordinator  
Student Data Services

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GREG PIERSON  
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January 27, 2010

Mr. Bruce Hartmann  
State Examiner  
Indiana State Board of Accounts  
155 Indiana Avenue  
Valparaiso, IN 46383

Re: 2007-08 and 2008-09 Audit for Merrillville Community School  
Corporation

Dear Mr. Hartmann:

Attached you will find our response to the findings for the audit of FY 2007-08  
and FY 2008-09 for the Merrillville Community School Corporation.

Sincerely,

Hilda Damianick  
Asst. to the Supt. for Business Affairs

Finding: Appropriations

Response: The continual delay of tax collections has resulted in very late distribution of our final tax settlements. The late distribution of our tax settlements has forced school corporations to borrow large amounts of money for operational purposes. The issuance of tax anticipation warrants resulted in the corporation having to pay more interest than the approved appropriation. We look forward to the day when the county will get back to distributing tax settlements on a timely basis.

Finding: Overdrawn Cash Balances

Response: We are addressing the deficits in the various funds and attempting to get those funds in the black.

Finding: Clearing Fund

The clearing fund will be balanced and reconciled.

Finding: Unclaimed Accumulated School Lunch Payments

We will address and reconcile the balances of student's lunch "money on account".

Finding: Academic Honors Diploma

Response: We will contact the Indiana Department of Education to notify them of our error in our count by one student for the academic honors diploma.

Finding: Administration Office Generic Receipts and Building Rental Contracts

Response: We will use State Board of Accounts approved receipts for the collection of non-sufficient fund checks and building rental contracts versus the generic receipt book currently used. In addition, we are addressing the revision of the building rental forms to reflect the pre-printed number on the contract.