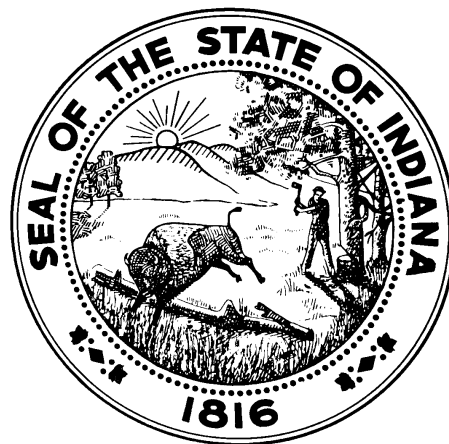


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
MEDORA COMMUNITY SCHOOL CORPORATION
JACKSON COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED

04/28/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vicki Dean	01-01-05 to 12-31-08
Superintendent of Schools	Dr. Andrew Day Dr. Robert M. Mahan (Interim)	07-01-05 to 08-30-07 08-31-07 to 06-30-08
President of the School Board	Darryl Kidd Darrell Persinger	01-01-05 to 12-31-06 01-01-07 to 12-31-08



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INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MEDORA COMMUNITY SCHOOL CORPORATION,
JACKSON COUNTY, INDIANA

We have examined the financial information presented herein of the Medora Community School Corporation (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules have been subjected to the examination procedures applied to the basic financial information, and in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 14, 2007

MEDORA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction	\$ 1,182,125	\$ -	\$ 175,063	\$ (1,007,062)
Support services	1,246,303	29,263	76,394	(1,140,646)
Nonprogrammed charges	81,250	-	-	(81,250)
Debt service	<u>647,115</u>	<u>-</u>	<u>-</u>	<u>(647,115)</u>
Total governmental activities	<u>\$ 3,156,793</u>	<u>\$ 29,263</u>	<u>\$ 251,457</u>	<u>(2,876,073)</u>
General receipts:				
Property taxes				825,665
Other local sources				180,947
State aid				1,657,327
Grants and contributions not restricted to specific programs				159,668
Sale of property, adjustments, and refunds				68
Investment earnings				<u>4,818</u>
Total general receipts				<u>2,828,493</u>
Change in net assets				(47,580)
Net assets - beginning				<u>317,373</u>
Net assets - ending				<u>\$ 269,793</u>
<u>Assets</u>				
Cash and investments				<u>\$ 269,793</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 269,793</u>

The accompanying notes are an integral part of the financial information.

MEDORA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 1,198,900	\$ -	\$ 146,094	\$ (1,052,806)
Support services	1,241,361	23,645	81,533	(1,136,183)
Nonprogrammed charges	118,369	-	-	(118,369)
Debt service	366,217	-	-	(366,217)
Total governmental activities	<u>\$ 2,924,847</u>	<u>\$ 23,645</u>	<u>\$ 227,627</u>	<u>(2,673,575)</u>
General receipts:				
Property taxes				833,942
Other local sources				131,799
State aid				1,620,334
Grants and contributions not restricted to specific programs				77,320
Sale of property, adjustments, and refunds				12,080
Investment earnings				5,113
Total general receipts				<u>2,680,588</u>
Change in net assets				7,013
Net assets - beginning				<u>269,793</u>
Net assets - ending				<u>\$ 276,806</u>
<u>Assets</u>				
Cash and investments				<u>\$ 276,806</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 276,806</u>

The accompanying notes are an integral part of the financial information.

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

	General	Transportation Operating	Special Education Preschool	School Lunch	Top Hat Grant	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:										
Local sources	\$ 378,067	\$ 66,652	\$ 3,143	\$ 21,197	\$ -	\$ 377,549	\$ 131,531	\$ 17,116	\$ 45,285	\$ 1,040,540
Intermediate sources	58	-	-	-	-	-	-	-	94	152
State sources	1,690,667	-	-	774	-	-	-	-	21,687	1,713,128
Federal sources	31,674	-	3,735	59,468	-	-	-	-	260,448	355,325
Sale of property, adjustments and refunds	68	-	-	-	-	-	-	-	-	68
Total receipts	2,100,534	66,652	6,878	81,439	-	377,549	131,531	17,116	327,514	3,109,213
Disbursements:										
Current:										
Instruction	999,186	-	-	-	200	-	-	-	182,739	1,182,125
Support services	918,067	71,877	-	63,771	15	-	78,846	55,619	58,108	1,246,303
Nonprogrammed charges	81,250	-	-	-	-	-	-	-	-	81,250
Debt services	29,188	27,560	-	-	-	494,068	54,510	7,256	34,533	647,115
Total disbursements	2,027,691	99,437	-	63,771	215	494,068	133,356	62,875	275,380	3,156,793
Excess (deficiency) of receipts over disbursements	72,843	(32,785)	6,878	17,668	(215)	(116,519)	(1,825)	(45,759)	52,134	(47,580)
Other financing sources (uses):										
Transfers in	75,089	70,445	5	-	-	6,369	28,500	-	47,297	227,705
Transfers out	(70,198)	(1,058)	(2,218)	-	-	(21,266)	(59,081)	(6,759)	(67,125)	(227,705)
Total other financing sources (uses)	4,891	69,387	(2,213)	-	-	(14,897)	(30,581)	(6,759)	(19,828)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	77,734	36,602	4,665	17,668	(215)	(131,416)	(32,406)	(52,518)	32,306	(47,580)
Cash and investments - beginning	22,618	(54,449)	67,344	27,261	28,864	37,557	98,371	52,115	37,692	317,373
Cash and investments - ending	<u>\$ 100,352</u>	<u>\$ (17,847)</u>	<u>\$ 72,009</u>	<u>\$ 44,929</u>	<u>\$ 28,649</u>	<u>\$ (93,859)</u>	<u>\$ 65,965</u>	<u>\$ (403)</u>	<u>\$ 69,998</u>	<u>\$ 269,793</u>
Cash and Investment Assets - Ending										
Cash and investments	<u>\$ 100,352</u>	<u>\$ (17,847)</u>	<u>\$ 72,009</u>	<u>\$ 44,929</u>	<u>\$ 28,649</u>	<u>\$ (93,859)</u>	<u>\$ 65,965</u>	<u>\$ (403)</u>	<u>\$ 69,998</u>	<u>\$ 269,793</u>
Cash and Investment Fund Balance - Ending										
Unrestricted	<u>\$ 100,352</u>	<u>\$ (17,847)</u>	<u>\$ 72,009</u>	<u>\$ 44,929</u>	<u>\$ 28,649</u>	<u>\$ (93,859)</u>	<u>\$ 65,965</u>	<u>\$ (403)</u>	<u>\$ 69,998</u>	<u>\$ 269,793</u>

The accompanying notes are an integral part of the financial information.

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

	General	Transportation Operating	Special Education Preschool	School Lunch	Top Hat Grant	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:										
Local sources	\$ 320,512	\$ 77,321	\$ 917	\$ 20,819	\$ -	\$ 370,855	\$ 141,810	\$ 21,220	\$ 40,851	\$ 994,305
Intermediate sources	79	-	-	-	-	-	-	-	115	194
State sources	1,642,597	-	-	658	-	-	-	-	28,760	1,672,015
Federal sources	-	-	5,697	57,881	-	-	-	-	189,688	253,266
Sale of property, adjustments and refunds	12,032	-	-	48	-	-	-	-	-	12,080
Total receipts	1,975,220	77,321	6,614	79,406	-	370,855	141,810	21,220	259,414	2,931,860
Disbursements:										
Current:										
Instruction	967,806	-	-	-	-	-	-	-	231,094	1,198,900
Support services	944,447	69,751	-	66,051	-	-	110,174	-	50,938	1,241,361
Nonprogrammed charges	118,183	-	186	-	-	-	-	-	-	118,369
Debt services	-	-	-	-	-	332,000	-	-	34,217	366,217
Total disbursements	2,030,436	69,751	186	66,051	-	332,000	110,174	-	316,249	2,924,847
Excess (deficiency) of receipts over disbursements	(55,216)	7,570	6,428	13,355	-	38,855	31,636	21,220	(56,835)	7,013
Other financing sources (uses):										
Transfers in	49,217	15,154	-	-	-	-	-	-	59,236	123,607
Transfers out	(13,708)	(8,321)	-	-	-	-	(49,000)	-	(52,578)	(123,607)
Total other financing sources (uses)	35,509	6,833	-	-	-	-	(49,000)	-	6,658	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,707)	14,403	6,428	13,355	-	38,855	(17,364)	21,220	(50,177)	7,013
Cash and investments - beginning	100,352	(17,847)	72,009	44,929	28,649	(93,859)	65,965	(403)	69,998	269,793
Cash and investments - ending	<u>\$ 80,645</u>	<u>\$ (3,444)</u>	<u>\$ 78,437</u>	<u>\$ 58,284</u>	<u>\$ 28,649</u>	<u>\$ (55,004)</u>	<u>\$ 48,601</u>	<u>\$ 20,817</u>	<u>\$ 19,821</u>	<u>\$ 276,806</u>
Cash and Investment Assets - Ending										
Cash and investments	<u>\$ 80,645</u>	<u>\$ (3,444)</u>	<u>\$ 78,437</u>	<u>\$ 58,284</u>	<u>\$ 28,649</u>	<u>\$ (55,004)</u>	<u>\$ 48,601</u>	<u>\$ 20,817</u>	<u>\$ 19,821</u>	<u>\$ 276,806</u>
Cash and Investment Fund Balance - Ending										
Unrestricted	<u>\$ 80,645</u>	<u>\$ (3,444)</u>	<u>\$ 78,437</u>	<u>\$ 58,284</u>	<u>\$ 28,649</u>	<u>\$ (55,004)</u>	<u>\$ 48,601</u>	<u>\$ 20,817</u>	<u>\$ 19,821</u>	<u>\$ 276,806</u>

The accompanying notes are an integral part of the financial information.

MEDORA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Pension Trust Fund	Private-Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 8,571
Deductions:		
Benefits	5,241	-
Administrative and general	-	6,105
Total deductions	5,241	6,105
Excess (deficiency) of total additions over total deductions	(5,241)	2,466
Cash and investment fund balance - beginning	57,529	9,234
Cash and investment fund balance - ending	\$ 52,288	\$ 11,700
Net assets:		
Cash and investments	\$ 52,288	\$ 11,700
Total net assets - cash and investment basis held in trust	\$ 52,288	\$ 11,700

The accompanying notes are an integral part of the financial information.

MEDORA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Pension Trust Fund	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 2,975	\$ -
Other	-	12,382
Total additions	2,975	12,382
Deductions:		
Benefits	14,647	-
Administrative and general	-	6,371
Total deductions	14,647	6,371
Excess (deficiency) of total additions over total deductions	(11,672)	6,011
Cash and investment fund balance - beginning	52,288	11,700
Cash and investment fund balance - ending	\$ 40,616	\$ 17,711
Net assets:		
Cash and investments	\$ 40,616	\$ 17,711
Total net assets - cash and investment basis held in trust	\$ 40,616	\$ 17,711

The accompanying notes are an integral part of the financial information.

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Joint Ventures

The School Corporation is a participant with various other school corporations in a joint venture to operate Orange, Lawrence, Jackson, Martin, and Greene Joint Services which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit annually a proportionate share of the costs based on their average daily membership (ADM). Complete financial schedules for the Orange, Lawrence, Jackson, Martin, and Greene Joint Services can be obtained from its administrative office at 1401 15th Street, Bedford, Indiana, 47421.

The School Corporation is a participant with various other school corporations in a joint venture to operate Wilson Education Center which was created to perform educational planning and to assist in meeting specific educational needs. The School Corporation is obligated by contract to remit annually a proportionate share of the costs based on the average daily membership (ADM). Complete financial schedules for the Wilson Education Center can be obtained from its administrative office at 11440 State Road 62, Charlestown, Indiana, 47111.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

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

Fund Financial Schedules

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

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

The School Corporation reports the following major governmental funds:

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

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

The special education preschool fund may only be used for special education programs for preschool age children.

The school lunch fund is used to account for receipts and disbursements concerning the operation of the school lunch program.

The top hat grant fund is used to account for receipts and disbursements concerning a state grant for professional development.

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

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

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

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit individuals receiving scholarships.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial schedules 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 schedules.

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial schedules for governmental funds would use the modified accrual basis of accounting, while the fund financial schedules 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 schedules.

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.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

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

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Interfund Transfers

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

Transfer From	Transfer To	2006	2007
General Fund	Debt Service Fund	\$ 6,369	\$ -
General Fund	Capital Projects Fund	28,500	-
General Fund	Transportation Fund	29,258	6,066
General Fund	Other governmental funds	6,071	7,642
Transportation Fund	Other governmental funds	1,058	8,321
Special Education Preschool Fund	General Fund	2,147	-
Special Education Preschool Fund	Other governmental funds	71	-
Debt Service Fund	Transportation Fund	12,574	-
Debt Service Fund	Other governmental funds	8,692	-
Capital Projects Fund	General Fund	57,000	49,000
Capital Projects Fund	Special Education Preschool	5	-
Capital Projects Fund	Other governmental funds	2,076	-
School Bus Replacement Fund	Transportation Fund	6,491	-
School Bus Replacement Fund	Other governmental funds	268	-
Other governmental funds	General Fund	15,944	217
Other governmental funds	Transportation Fund	22,122	9,088
Other governmental funds	Other governmental funds	29,059	43,273
Totals		<u>\$ 227,705</u>	<u>\$ 123,607</u>

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

Note 7. 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 members' 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.

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$41,173, \$37,946, and \$38,035, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

MEDORA 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, 2006

	Textbook Rental	Levy Excess	Education Plate Fees	Technical Assistance State Grant	At Risk	Step Ahead SACC	Beginning Internship
Receipts:							
Local sources	\$ 8,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	94	-	-	-	-
State sources	6,152	-	-	-	-	4,985	-
Federal sources	-	-	-	-	24,481	-	-
Total receipts	14,218	-	94	-	24,481	4,985	-
Disbursements:							
Current:							
Instruction	-	-	-	-	23,194	4,985	-
Support services	20,145	-	-	-	1,720	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	20,145	-	-	-	24,914	4,985	-
Excess (deficiency) of receipts over disbursements	(5,927)	-	94	-	(433)	-	-
Other financing sources (uses):							
Transfers in	3,391	15,433	56	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	3,391	15,433	56	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,536)	15,433	150	-	(433)	-	-
Cash and investments - beginning	(4,236)	-	844	(26)	9,976	-	(3,613)
Cash and investments - ending	<u>\$ (6,772)</u>	<u>\$ 15,433</u>	<u>\$ 994</u>	<u>\$ (26)</u>	<u>\$ 9,543</u>	<u>\$ -</u>	<u>\$ (3,613)</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (6,772)</u>	<u>\$ 15,433</u>	<u>\$ 994</u>	<u>\$ (26)</u>	<u>\$ 9,543</u>	<u>\$ -</u>	<u>\$ (3,613)</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (6,772)</u>	<u>\$ 15,433</u>	<u>\$ 994</u>	<u>\$ (26)</u>	<u>\$ 9,543</u>	<u>\$ -</u>	<u>\$ (3,613)</u>

MEDORA 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, 2006
 (Continued)

	Technology Plan	Performance Based Awards	Technology Planning Grant	Intelenet Commission	Gifted and Talented	Gifted and Talented 98-99	Gifted and Talented 2002-03
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	10,550	-
Federal sources	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	10,550	-
Disbursements:							
Current:							
Instruction	-	-	-	-	9,908	-	1,055
Support services	-	-	-	-	96	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	10,004	-	1,055
Excess (deficiency) of receipts over disbursements	-	-	-	-	(10,004)	10,550	(1,055)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	18	3,826
Transfers out	-	-	-	-	(4,274)	-	-
Total other financing sources (uses)	-	-	-	-	(4,274)	18	3,826
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(14,278)	10,568	2,771
Cash and investments - beginning	(1,534)	26	217	4,049	8,891	(18)	(2,771)
Cash and investments - ending	<u>\$ (1,534)</u>	<u>\$ 26</u>	<u>\$ 217</u>	<u>\$ 4,049</u>	<u>\$ (5,387)</u>	<u>\$ 10,550</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (1,534)</u>	<u>\$ 26</u>	<u>\$ 217</u>	<u>\$ 4,049</u>	<u>\$ (5,387)</u>	<u>\$ 10,550</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (1,534)</u>	<u>\$ 26</u>	<u>\$ 217</u>	<u>\$ 4,049</u>	<u>\$ (5,387)</u>	<u>\$ 10,550</u>	<u>\$ -</u>

MEDORA 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, 2006
 (Continued)

	Electricity Grant	Community Foundation Spanish	Community Foundation Secondary	Title I FY 2005	Title I FY 05-06	Title V, Part A	Title V, Part A FY 2005
Receipts:							
Local sources	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	7,412	60,555	1,083	-
Total receipts	-	100	-	7,412	60,555	1,083	-
Disbursements:							
Current:							
Instruction	-	-	-	7,638	44,499	-	10,691
Support services	-	-	-	1,453	9,695	-	818
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	9,091	54,194	-	11,509
Excess (deficiency) of receipts over disbursements	-	100	-	(1,679)	6,361	1,083	(11,509)
Other financing sources (uses):							
Transfers in	-	-	-	-	6,164	-	11,021
Transfers out	-	-	-	(7,807)	-	-	-
Total other financing sources (uses)	-	-	-	(7,807)	6,164	-	11,021
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	100	-	(9,486)	12,525	1,083	(488)
Cash and investments - beginning	193	-	503	9,486	-	-	11,000
Cash and investments - ending	<u>\$ 193</u>	<u>\$ 100</u>	<u>\$ 503</u>	<u>\$ -</u>	<u>\$ 12,525</u>	<u>\$ 1,083</u>	<u>\$ 10,512</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 193</u>	<u>\$ 100</u>	<u>\$ 503</u>	<u>\$ -</u>	<u>\$ 12,525</u>	<u>\$ 1,083</u>	<u>\$ 10,512</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 193</u>	<u>\$ 100</u>	<u>\$ 503</u>	<u>\$ -</u>	<u>\$ 12,525</u>	<u>\$ 1,083</u>	<u>\$ 10,512</u>

MEDORA 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, 2006
 (Continued)

	Stewart Homeless Assist Act. P.	Drug Free Schools	Drug Free Schools FY95	Title IV, Part A FY 06 Drug Free	Title II	21st Century Learning Grant	Tech Prep
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	10,000	-	-	2,224	-	131,174	-
Total receipts	10,000	-	-	2,224	-	131,174	-
Disbursements:							
Current:							
Instruction	-	-	-	435	-	72,206	-
Support services	-	-	2,849	4	-	20,167	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	2,849	439	-	92,373	-
Excess (deficiency) of receipts over disbursements	10,000	-	(2,849)	1,785	-	38,801	-
Other financing sources (uses):							
Transfers in	-	-	41	-	-	-	-
Transfers out	(10,000)	(41)	-	-	-	(25,991)	-
Total other financing sources (uses)	(10,000)	(41)	41	-	-	(25,991)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(41)	(2,808)	1,785	-	12,810	-
Cash and investments - beginning	10,000	41	2,600	-	158	1,000	(670)
Cash and investments - ending	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (208)</u>	<u>\$ 1,785</u>	<u>\$ 158</u>	<u>\$ 13,810</u>	<u>\$ (670)</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (208)</u>	<u>\$ 1,785</u>	<u>\$ 158</u>	<u>\$ 13,810</u>	<u>\$ (670)</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (208)</u>	<u>\$ 1,785</u>	<u>\$ 158</u>	<u>\$ 13,810</u>	<u>\$ (670)</u>

MEDORA 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, 2006
 (Continued)

	Tech Grant	Title II, Part A	Title II, Part D	Title II, Part D FY 05-06	Severance/ Retirement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 37,119	\$ 45,285
Intermediate sources	-	-	-	-	-	94
State sources	-	-	-	-	-	21,687
Federal sources	-	14,695	-	8,824	-	260,448
Total receipts	-	14,695	-	8,824	37,119	327,514
Disbursements:						
Current:						
Instruction	-	8,128	-	-	-	182,739
Support services	-	6	1,155	-	-	58,108
Debt services	-	-	-	-	34,533	34,533
Total disbursements	-	8,134	1,155	-	34,533	275,380
Excess (deficiency) of receipts over disbursements	-	6,561	(1,155)	8,824	2,586	52,134
Other financing sources (uses):						
Transfers in	-	7,347	-	-	-	47,297
Transfers out	-	(11,021)	-	(7,347)	(644)	(67,125)
Total other financing sources (uses)	-	(3,674)	-	(7,347)	(644)	(19,828)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,887	(1,155)	1,477	1,942	32,306
Cash and investments - beginning	(1,799)	8,106	2,289	-	(17,020)	37,692
Cash and investments - ending	<u>\$ (1,799)</u>	<u>\$ 10,993</u>	<u>\$ 1,134</u>	<u>\$ 1,477</u>	<u>\$ (15,078)</u>	<u>\$ 69,998</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ (1,799)</u>	<u>\$ 10,993</u>	<u>\$ 1,134</u>	<u>\$ 1,477</u>	<u>(15,078)</u>	<u>\$ 69,998</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ (1,799)</u>	<u>\$ 10,993</u>	<u>\$ 1,134</u>	<u>\$ 1,477</u>	<u>\$ (15,078)</u>	<u>\$ 69,998</u>

MEDORA 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, 2007

	Textbook Rental	Levy Excess	Education Plate Fees	Library Grant	Technical Assistance State Grant	At Risk	Step Ahead SACC
Receipts:							
Local sources	\$ 3,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	115	-	-	-	-
State sources	12,994	-	-	-	-	-	5,216
Federal sources	-	-	-	-	-	-	-
Total receipts	16,176	-	115	-	-	-	5,216
Disbursements:							
Current:							
Instruction	-	-	-	928	-	23,844	5,216
Support services	27,642	-	-	-	-	1,802	-
Debt services	-	-	-	-	-	-	-
Total disbursements	27,642	-	-	928	-	25,646	5,216
Excess (deficiency) of receipts over over disbursements	(11,466)	-	115	(928)	-	(25,646)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	26	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	26	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,466)	-	115	(928)	26	(25,646)	-
Cash and investments - beginning	(6,772)	15,433	994	-	(26)	9,543	-
Cash and investments - ending	<u>\$ (18,238)</u>	<u>\$ 15,433</u>	<u>\$ 1,109</u>	<u>\$ (928)</u>	<u>\$ -</u>	<u>\$ (16,103)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (18,238)</u>	<u>\$ 15,433</u>	<u>\$ 1,109</u>	<u>\$ (928)</u>	<u>\$ -</u>	<u>\$ (16,103)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (18,238)</u>	<u>\$ 15,433</u>	<u>\$ 1,109</u>	<u>\$ (928)</u>	<u>\$ -</u>	<u>\$ (16,103)</u>	<u>\$ -</u>

MEDORA 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, 2007
 (Continued)

	Beginning Internship	Technology Plan	Performance Based Awards	Technology Planning Grant	Intelenet Commission	Gifted and Talented	Gifted and Talented 98-99
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	10,550
Federal sources	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	10,550
Disbursements:							
Current:							
Instruction	-	-	-	-	-	5,154	1,117
Support services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	5,154	1,117
Excess (deficiency) of receipts over over disbursements	-	-	-	-	-	(5,154)	9,433
Other financing sources (uses):							
Transfers in	3,613	1,534	-	-	-	10,550	-
Transfers out	-	-	-	(217)	-	-	(12,930)
Total other financing sources (uses)	3,613	1,534	-	(217)	-	10,550	(12,930)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,613	1,534	-	(217)	-	5,396	(3,497)
Cash and investments - beginning	(3,613)	(1,534)	26	217	4,049	(5,387)	10,550
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 4,049</u>	<u>\$ 9</u>	<u>\$ 7,053</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 4,049</u>	<u>\$ 9</u>	<u>\$ 7,053</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 4,049</u>	<u>\$ 9</u>	<u>\$ 7,053</u>

MEDORA 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, 2007
 (Continued)

	Gifted and Talented 2002-03	Electricity Grant	Community Foundation Cell	Community Foundation Spanish	Community Foundation Secondary	Title I FY 2000	Title I FY 05-06
Receipts:							
Local sources	\$ 300	\$ -	\$ -	\$ -	\$ 4,200	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	6,000
Total receipts	300	-	-	-	4,200	-	6,000
Disbursements:							
Current:							
Instruction	4,735	-	-	50	5,475	649	8,256
Support services	-	-	456	-	-	-	3,392
Debt services	-	-	-	-	-	-	-
Total disbursements	4,735	-	456	50	5,475	649	11,648
Excess (deficiency) of receipts over over disbursements	(4,435)	-	(456)	(50)	(1,275)	(649)	(5,648)
Other financing sources (uses):							
Transfers in	2,380	-	-	475	-	-	-
Transfers out	-	-	-	(475)	-	-	(6,877)
Total other financing sources (uses)	2,380	-	-	-	-	-	(6,877)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,055)	-	(456)	(50)	(1,275)	(649)	(12,525)
Cash and investments - beginning	-	193	-	100	503	-	12,525
Cash and investments - ending	<u>\$ (2,055)</u>	<u>\$ 193</u>	<u>\$ (456)</u>	<u>\$ 50</u>	<u>\$ (772)</u>	<u>\$ (649)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (2,055)</u>	<u>\$ 193</u>	<u>\$ (456)</u>	<u>\$ 50</u>	<u>\$ (772)</u>	<u>\$ (649)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (2,055)</u>	<u>\$ 193</u>	<u>\$ (456)</u>	<u>\$ 50</u>	<u>\$ (772)</u>	<u>\$ (649)</u>	<u>\$ -</u>

MEDORA 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, 2007
 (Continued)

	Title I FY 2006-07	Title V, Part A	Title V, Part A FY 2005	Title V, Part A	Stewart Homeless Assist Act. P.	Drug Free Schools FY95	Title IV, Part A FY 06 Drug Free
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	55,324	-	-	542	10,000	-	-
Total receipts	55,324	-	-	542	10,000	-	-
Disbursements:							
Current:							
Instruction	49,937	-	15,783	-	-	-	2,057
Support services	10,285	-	1,440	-	912	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	60,222	-	17,223	-	912	-	2,057
Excess (deficiency) of receipts over over disbursements	(4,898)	-	(17,223)	542	9,088	-	(2,057)
Other financing sources (uses):							
Transfers in	22,048	-	7,612	-	-	208	-
Transfers out	-	-	-	-	(9,088)	-	(208)
Total other financing sources (uses)	22,048	-	7,612	-	(9,088)	208	(208)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,150	-	(9,611)	542	-	208	(2,265)
Cash and investments - beginning	-	1,083	10,512	-	10,000	(208)	1,785
Cash and investments - ending	<u>\$ 17,150</u>	<u>\$ 1,083</u>	<u>\$ 901</u>	<u>\$ 542</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (480)</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 17,150</u>	<u>\$ 1,083</u>	<u>\$ 901</u>	<u>\$ 542</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (480)</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 17,150</u>	<u>\$ 1,083</u>	<u>\$ 901</u>	<u>\$ 542</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (480)</u>

MEDORA 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, 2007
 (Continued)

	Drug Free Schools FY 07	Title II	21st Century Learning Grant	Tech Prep	Tech Grant	Title II, Part A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,541	-	113,281	-	-	1,000
Total receipts	1,541	-	113,281	-	-	1,000
Disbursements:						
Current:						
Instruction	-	-	104,884	-	-	3,009
Support services	-	-	3,661	-	-	4
Debt services	-	-	-	-	-	-
Total disbursements	-	-	108,545	-	-	3,013
Excess (deficiency) of receipts over over disbursements	1,541	-	4,736	-	-	(2,013)
Other financing sources (uses):						
Transfers in	-	-	8,321	670	1,799	-
Transfers out	-	-	(15,171)	-	-	(7,612)
Total other financing sources (uses)	-	-	(6,850)	670	1,799	(7,612)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,541	-	(2,114)	670	1,799	(9,625)
Cash and investments - beginning	-	158	13,810	(670)	(1,799)	10,993
Cash and investments - ending	\$ 1,541	\$ 158	\$ 11,696	\$ -	\$ -	\$ 1,368
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,541	\$ 158	\$ 11,696	\$ -	\$ -	\$ 1,368
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 1,541	\$ 158	\$ 11,696	\$ -	\$ -	\$ 1,368

MEDORA 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, 2007
 (Continued)

	Title II, Part D	Title II, Part D	Title II, Part D	Severance/ Retirement	Totals
	FY 05-06	FY 06-07			
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 33,169	\$ 40,851
Intermediate sources	-	-	-	-	115
State sources	-	-	-	-	28,760
Federal sources	-	2,000	-	-	189,688
Total receipts	-	-	2,000	33,169	259,414
Disbursements:					
Current:					
Instruction	-	-	-	-	231,094
Support services	1,134	210	-	-	50,938
Debt services	-	-	-	34,217	34,217
Total disbursements	1,134	210	-	34,217	316,249
Excess (deficiency) of receipts over over disbursements	(1,134)	(210)	2,000	(1,048)	(56,835)
Other financing sources (uses):					
Transfers in	-	-	-	-	59,236
Transfers out	-	-	-	-	(52,578)
Total other financing sources (uses)	-	-	-	-	6,658
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,134)	(210)	2,000	(1,048)	(50,177)
Cash and investments - beginning	1,134	1,477	-	(15,078)	69,998
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 2,000</u>	<u>\$ (16,126)</u>	<u>\$ 19,821</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 2,000</u>	<u>(16,126)</u>	<u>\$ 19,821</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 2,000</u>	<u>\$ (16,126)</u>	<u>\$ 19,821</u>

MEDORA 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, 2006

	Indiana Next Grant	Cinergy Grant	Kasting Scholarship	Totals
Additions:				
Contributions:				
Other	\$ -	\$ 1,000	\$ 7,571	\$ 8,571
Deductions:				
Administrative and general	805	-	5,300	6,105
Excess (deficiency) of total additions over total deductions	(805)	1,000	2,271	2,466
Cash and investment fund balance - beginning	1,500	-	7,734	9,234
Cash and investments - June 30	<u>\$ 695</u>	<u>\$ 1,000</u>	<u>\$ 10,005</u>	<u>\$ 11,700</u>
Net assets:				
Cash and investments	<u>\$ 695</u>	<u>\$ 1,000</u>	<u>\$ 10,005</u>	<u>\$ 11,700</u>

MEDORA 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, 2007

	Indiana Next Grant	Cinergy Grant	Kasting Scholarship	Totals
Additions:				
Contributions:				
Other	\$ 475	\$ 2,000	\$ 9,907	\$ 12,382
Deductions:				
Administrative and general	1,171	-	5,200	6,371
Excess (deficiency) of total additions over total deductions	(696)	2,000	4,707	6,011
Cash and investment fund balance - beginning	695	1,000	10,005	11,700
Cash and investments - June 30	<u>\$ (1)</u>	<u>\$ 3,000</u>	<u>\$ 14,712</u>	<u>\$ 17,711</u>
Net assets:				
Cash and investments	<u>\$ (1)</u>	<u>\$ 3,000</u>	<u>\$ 14,712</u>	<u>\$ 17,711</u>

MEDORA COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended June 30, 2007

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	\$ 41,524
Buildings	5,619,283
Machinery and equipment	<u>332,879</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 5,993,686</u>

MEDORA COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
2005 Refunding bonds lease/rental	\$ 3,865,000	\$ 311,349
2005 Qualified zone academy bonds (QZAB)	247,676	19,814
Notes and loans payable	22,977	12,216
Bonds payable:		
General obligation bonds:		
2005 Pension bonds	<u>433,000</u>	<u>33,859</u>
Total governmental activities debt	<u>\$ 4,568,653</u>	<u>\$ 377,238</u>

MEDORA COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

DEPOSITS

The review of School Corporation receipts noted seven instances where receipts were deposited later than the next business day. Also, during a review of Textbook Rental Receipts (Form TBR-2), 13 instances were noted where receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . ."

CONDITION OF RECORDS

The following posting errors were noted during the examination period.

- (1) Pension Debt Fund receipt number 6741, General Property and Excise Tax distribution of \$2,165.99 was erroneously posted to the Preschool Fund.
- (2) Debt Service Fund receipt number 7086, Property Tax Replacement distribution of \$6,018.50 was erroneously posted to the General Fund.

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

RECEIPT CLASSIFICATION

The review of Schools Corporation receipts noted several instances where the form in which monies were collected was not indicated on the receipt. The review also noted during the review of Textbook Rental Receipts, in which 18 of the 20 receipts tested did not properly classify the form in which monies were collected.

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)

COLLECTION OF AMOUNTS DUE

The Textbook Rental Fund has had a negative balance each of the last three years, with the deficit balance totaling \$18,238 as of June 30, 2007. The School Corporation has not followed up and collected on delinquent textbook rental fees. The amount of uncollected fees as of June 30, 2007, was not readily available.

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

MEDORA COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

OVERDRAWN FUND BALANCES

The following funds were overdrawn at June 30, 2006 and 2007:

Fund	2006	2007
Debt Service	\$ 93,859	\$ 55,004
Transportation Operating	17,847	3,444
School Bus Replacement	403	-
Textbook Rental	6,772	18,238
Severance/Retirement	15,078	16,126
Library Grant	-	928
At Risk	-	16,103
Beginning Internship	3,613	-
Technology Plan	1,534	-
Gifted and Talented	5,387	-
Gifted and Talented 2002-2003	-	2,055
Community Foundation - Secondary	-	772
Title I FY2000	-	649
Tech Prep	670	-
Tech Grant	1,799	-
Drug Free Schools FY95	208	-
Technical Assistance State Grant	26	-
Community Foundation Cell	-	456
Title IV, Part A Fy06 Drug Free	-	480

The 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)

PAYROLL WITHHOLDINGS NOT RECONCILED

The payroll withholding accounts were not reconciled to amounts owed as of June 30, 2007, and the accounts do not reflect the correct balances as of the current date.

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)

PAYROLL RECORDS

The Payroll Schedule and Vouchers (General Form 99) were not presented for examination, and the time/attendance records for 7 of the 12 employees reviewed during the review of payroll were not presented for examination.

MEDORA COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

The Payroll Schedule and Voucher (General Form 99) should be used to prepare all payrolls from the attendance records of the employees listed thereon. The attendance information should be supplied to the business office by the school principal or by the department head for all employees under his jurisdiction or supervision.

Upon completion of the payroll claim by the business office, the certificate must be executed by the superintendent of schools or the business manager of the school corporation (provided the business manager is not also the treasurer) and the attest or approval signed by the treasurer of the school corporation. The payroll claim should then be processed, numbered, allowed by the school board and filed in numerical sequence with other claims. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

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)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not prepared for some disbursements.
- (2) Claims were not adequately itemized or did not contain adequate supporting documentation and did not provide evidence to support receipt of goods or services for some disbursements.
- (3) Claims tested were not certified by the fiscal officer (Corporation Treasurer).
- (3) Claims did not have board approval for some disbursements.

Indiana Code 5-11-10-1.6 states in part:

(b) "As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services."

(c) "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

MEDORA COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

TRANSPORTATION CONTRACTS

Five instances were noted during the review of disbursements, in which payments were made to parents or grandparents for transporting special education students to Bedford and Brownstown without a written agreement. The School Corporation Treasurer indicated that no written agreements were made with parents or grandparents that transported students during the examination period.

511 Indiana Administrative Code 7-21-7 (d) states in part: ". . . If the parent does transport the student, pursuant to a written agreement with the public agency, the public agency shall reimburse the parent at no less than the per mile rate at which employees of the public agency are reimbursed."

AVERAGE DAILY MEMBERSHIP (ADM) – LACK OF CERTIFIED CLASS LISTS

Detailed class lists provided as ADM supporting documentation were not certified by the appropriate building level official.

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines, Manual for Indiana Public School Corporations, Chapter 8)

SEVERANCE PAY/OVERPAYMENT COLLECTIONS

The School Corporation approved a resolution on February 14, 2005, to fund a retirement/severance buyout account with MetLife Financial. The School Board and the Superintendent, also signed an addendum to the Superintendent's 2005-2006 contract, allowing the Superintendent an option out of the retirement/severance buyout with MetLife Financial. Instead, the Superintendent would receive a one-time payment in the amount of \$2,720.92.

The School Corporation funded a retirement/severance buyout account with MetLife Financial on May 31, 2005. The funding incorrectly included an account for Dr. Andrew Day, Interim Superintendent of Schools, in the amount of \$2,720.92. Dr. Andrew Day was also paid \$2,720.92 for the addendum to his contract on September 13, 2005. As a result of the incorrect funding amount to MetLife Financial, an overpayment was made to Dr. Andrew Day. MetLife Financial refunded \$2,720.92 to the School Corporation on March 18, 2008, Receipt 7793.

Unless specifically authorized by statute, severance pay, or other payments to employees upon separation from employment, must be supported by the written opinion of the attorney for the governmental unit stating that the payments are in accordance with all federal laws and regulations and state laws, including IC 35-44-2-4, and a properly enacted Home Rule ordinance or resolution, as applicable. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

MEDORA COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

RECEIPT ISSUANCE - EXTRA-CURRICULAR

A review of bank deposits for the examination period noted numerous instances where receipts were not being issued for amounts collected.

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

TRAVELERS' CHECKS - EXTRA-CURRICULAR

The Class of 2007 obtained \$2,500 in travelers' checks on May 1, 2007, for the senior trip to San Antonio, Texas. The senior trip was paid for from funds received by selling concessions at athletic events throughout the school year. The remaining funds were used to purchase travelers' checks after paying for the cost of travel. The Class Sponsor provided detailed receipts attached to the claim for goods and services purchased with the travelers' checks.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

YEARBOOK TEMPORARY LOAN-EXTRA-CURRICULAR

A temporary loan in the amount of \$8,647.20 was made in October of 2004, from the School Corporation's General Fund to the Extra-Curricular Yearbook Fund. The balance of the loan as of June 30, 2007, was \$4,397.20.

A governmental unit may not incur indebtedness unless specifically allowed by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

MEDORA COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The content of this report were discussed on January 14, 2008, with Dr. Robert M. Mahan, Interim Superintendent of Schools; Darrell Persinger, President of the School Board; and Vickie Dean, Treasurer. The applicable portions of report were also discussed on December 13, 2007, with Brad McCammon, High School Principal; and Teresa Wayman; Extra-Curricular Treasurer. The officials concurred with our findings.