

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

AUDIT REPORT  
OF  
MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
MONROE COUNTY, INDIANA  
July 1, 2006 to June 30, 2008



**FILED**

06/25/2009



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Timothy Thrasher	07-01-06 to 06-30-09
Superintendent of Schools	James Harvey, Consultant	07-01-06 to 06-30-07
	James Harvey	07-01-07 to 09-01-08
	Dr. Timothy F. Hyland	09-02-08 to 06-30-09
	Dr. J.T. Coopman	07-01-09 to 06-30-12
President of the School Board	Susan Wanzer	07-01-06 to 12-31-06
	Jim Muehling	01-01-07 to 12-31-07
	Teresa Grossi	01-01-08 to 12-31-08
	Jeannine Butler	01-01-09 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE MONROE COUNTY COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe County Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 30, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 30, 2009



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

TO: THE OFFICIALS OF THE MONROE COUNTY COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

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

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2008-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2008-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2008-2, 2008-3 and 2008-4.

We noted certain matters that we reported to management in a separate letter dated April 30, 2009.

The School Corporation's response to the findings identified in our audit is described in the accompanying section 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 it.

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

STATE BOARD OF ACCOUNTS

April 30, 2009

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<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	\$ 49,217,207	\$ -	\$ 433,222	\$ (48,783,985)
Support services	30,890,988	4,559,296	1,925,251	(24,406,441)
Community services	1,774,170	-	-	(1,774,170)
Nonprogrammed charges	7,980,212	-	-	(7,980,212)
Debt service	<u>20,283,991</u>	<u>-</u>	<u>-</u>	<u>(20,283,991)</u>
 Total government	 <u>\$ 110,146,568</u>	 <u>\$ 4,559,296</u>	 <u>\$ 2,358,473</u>	 <u>(103,228,799)</u>
 General receipts:				
Property taxes				35,792,732
Other local sources				6,135,354
State aid				26,201,945
Bonds and loans				14,751,083
Grants and contributions not restricted to specific programs				7,426,243
Sale of property, adjustments, and refunds				1,545,138
Investment earnings				<u>910,432</u>
 Total general receipts				 <u>92,762,927</u>
 Change in net assets				 (10,465,872)
 Net assets - beginning				 <u>16,211,112</u>
 Net assets - ending				 <u>\$ 5,745,240</u>
 <u>Assets</u>				
Cash and investments				\$ 9,638,760
Restricted assets:				
Cash and investments				<u>(3,893,520)</u>
 Total assets				 <u>\$ 5,745,240</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ (4,620,907)
Other purposes				727,387
Unrestricted				<u>9,638,760</u>
 Total net assets				 <u>\$ 5,745,240</u>

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

MONROE COUNTY 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	\$ 50,680,351	\$ -	\$ 795,237	\$ (49,885,114)
Support services	35,334,893	4,625,384	2,087,115	(28,622,394)
Community services	1,832,601	-	-	(1,832,601)
Nonprogrammed charges	7,825,042	-	-	(7,825,042)
Debt service	<u>22,603,461</u>	<u>-</u>	<u>-</u>	<u>(22,603,461)</u>
 Total government	 <u>\$ 118,276,348</u>	 <u>\$ 4,625,384</u>	 <u>\$ 2,882,352</u>	 <u>(110,768,612)</u>
 General receipts:				
Property taxes				49,762,973
Other local sources				8,235,304
State aid				24,627,249
Bonds and loans				16,188,602
Grants and contributions not restricted to specific programs				6,494,093
Sale of property, adjustments, and refunds				738,005
Investment earnings				<u>578,793</u>
 Total general receipts				 <u>106,625,019</u>
 Change in net assets				 (4,143,593)
 Net assets - beginning				 <u>5,745,240</u>
 Net assets - ending				 <u>\$ 1,601,647</u>
 <u>Assets</u>				
Cash and investments				\$ 928,410
Restricted assets:				
Cash and investments				<u>673,237</u>
 Total assets				 <u>\$ 1,601,647</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ (1,521,636)
Other purposes				2,194,873
Unrestricted				<u>928,410</u>
 Total net assets				 <u>\$ 1,601,647</u>

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

MONROE COUNTY 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, 2007

	General	Transportation Operating	School Lunch	Textbook Rental	Federal Grants	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>										
Local sources	\$ 24,821,656	\$ 2,938,691	\$ 2,606,587	\$ 841,748	\$ -	\$ 7,069,598	\$ 7,176,725	\$ 493,410	\$ 1,424,225	\$ 47,372,640
State sources	26,597,926	7,798	47,477	158,113	-	-	-	-	598,845	27,410,159
Federal sources	32,335	-	1,687,326	-	207,245	-	-	-	6,649,596	8,576,502
Bonds and loans	12,556,759	2,127,422	-	-	-	-	-	66,902	-	14,751,083
Sale of property, adjustments and refunds	455,580	232,776	56,763	2	240,355	-	36,018	32,500	439,822	1,493,816
<b>Total receipts</b>	<b>64,464,256</b>	<b>5,306,687</b>	<b>4,398,153</b>	<b>999,863</b>	<b>447,600</b>	<b>7,069,598</b>	<b>7,212,743</b>	<b>592,812</b>	<b>9,112,488</b>	<b>99,604,200</b>
<b>Disbursements:</b>										
<b>Current:</b>										
Instruction	42,923,245	-	-	-	91,529	-	-	-	6,202,433	49,217,207
Support services	17,406,482	5,015,315	4,284,742	712,758	448,168	-	7,922,110	357,200	2,046,715	38,193,490
Community services	1,736,143	-	-	-	5,770	-	-	-	32,257	1,774,170
Nonprogrammed charges	620,206	-	-	-	550	-	-	-	61,790	682,546
Debt services	6,664,855	1,953,609	-	-	-	11,322,162	-	-	343,365	20,283,991
<b>Total disbursements</b>	<b>69,350,931</b>	<b>6,968,924</b>	<b>4,284,742</b>	<b>712,758</b>	<b>546,017</b>	<b>11,322,162</b>	<b>7,922,110</b>	<b>357,200</b>	<b>8,686,560</b>	<b>110,151,404</b>
Excess (deficiency) of receipts over disbursements	(4,886,675)	(1,662,237)	113,411	287,105	(98,417)	(4,252,564)	(709,367)	235,612	425,928	(10,547,204)
<b>Other financing sources (uses):</b>										
Transfers in	91,698	165,115	-	-	-	-	-	-	-	256,813
Transfers out	-	-	-	-	-	-	(165,115)	-	(91,698)	(256,813)
<b>Total other financing sources (uses)</b>	<b>91,698</b>	<b>165,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(165,115)</b>	<b>-</b>	<b>(91,698)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,794,977)	(1,497,122)	113,411	287,105	(98,417)	(4,252,564)	(874,482)	235,612	334,230	(10,547,204)
Cash and investments - beginning	5,993,734	1,245,929	1,269,646	(327,401)	177,326	(145,401)	6,608,397	99,456	643,371	15,565,057
Cash and investments - ending	\$ 1,198,757	\$ (251,193)	\$ 1,383,057	\$ (40,296)	\$ 78,909	\$ (4,397,965)	\$ 5,733,915	\$ 335,068	\$ 977,601	5,017,853
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.										
										<u>727,387</u>
Net assets of governmental activities										<u>\$ 5,745,240</u>
<b>Cash and Investment Assets - Ending</b>										
Cash and investments	\$ 1,198,757	\$ (251,193)	\$ 1,383,057	\$ (40,296)	\$ 78,909	\$ -	\$ 5,733,915	\$ 335,068	\$ 1,200,543	\$ 9,638,760
Restricted assets:										
Cash and investments	-	-	-	-	-	(4,397,965)	-	-	(222,942)	(4,620,907)
<b>Total cash and investment assets - ending</b>	<b>\$ 1,198,757</b>	<b>\$ (251,193)</b>	<b>\$ 1,383,057</b>	<b>\$ (40,296)</b>	<b>\$ 78,909</b>	<b>\$ (4,397,965)</b>	<b>\$ 5,733,915</b>	<b>\$ 335,068</b>	<b>\$ 977,601</b>	<b>\$ 5,017,853</b>
<b>Cash and Investment Fund Balance - Ending</b>										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,397,965)	\$ -	\$ -	\$ (222,942)	\$ (4,620,907)
Unrestricted	1,198,757	(251,193)	1,383,057	(40,296)	78,909	-	5,733,915	335,068	1,200,543	9,638,760
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,198,757</b>	<b>\$ (251,193)</b>	<b>\$ 1,383,057</b>	<b>\$ (40,296)</b>	<b>\$ 78,909</b>	<b>\$ (4,397,965)</b>	<b>\$ 5,733,915</b>	<b>\$ 335,068</b>	<b>\$ 977,601</b>	<b>\$ 5,017,853</b>

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

MONROE COUNTY 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	Transportation Operating	School Lunch	Textbook Rental	Federal Grants	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>										
Local sources	\$ 34,535,476	\$ 4,440,821	\$ 2,562,485	\$ 733,697	\$ -	\$ 10,280,367	\$ 7,439,849	\$ 940,404	\$ 2,231,017	\$ 63,164,116
Intermediate sources	2,341	-	-	-	-	-	-	-	-	2,341
State sources	25,203,420	-	50,693	309,421	-	-	-	-	459,010	26,022,544
Federal sources	-	-	1,727,001	-	2,227,141	-	-	-	4,027,009	7,981,151
Bonds and loans	13,955,516	2,233,086	-	-	-	-	-	-	-	16,188,602
Sale of property, adjustments and refunds	359,643	145,218	10,543	-	134,444	-	30,954	21,750	-	702,552
<b>Total receipts</b>	<b>74,056,396</b>	<b>6,819,125</b>	<b>4,350,722</b>	<b>1,043,118</b>	<b>2,361,585</b>	<b>10,280,367</b>	<b>7,470,803</b>	<b>962,154</b>	<b>6,717,036</b>	<b>114,061,306</b>
<b>Disbursements:</b>										
<b>Current:</b>										
Instruction	44,252,263	-	-	-	1,464,522	-	-	-	4,963,566	50,680,351
Support services	19,073,415	5,204,568	4,649,721	262,605	436,878	-	10,754,696	2,113,686	1,727,806	44,223,375
Community services	1,785,249	-	-	-	35,767	-	-	-	11,585	1,832,601
Nonprogrammed charges	296,306	-	-	-	-	-	-	-	36,291	332,597
Debt services	12,578,759	1,727,422	-	-	-	7,505,495	-	66,902	724,883	22,603,461
<b>Total disbursements</b>	<b>77,985,992</b>	<b>6,931,990</b>	<b>4,649,721</b>	<b>262,605</b>	<b>1,937,167</b>	<b>7,505,495</b>	<b>10,754,696</b>	<b>2,180,588</b>	<b>7,464,131</b>	<b>119,672,385</b>
Excess (deficiency) of receipts over disbursements	(3,929,596)	(112,865)	(298,999)	780,513	424,418	2,774,872	(3,283,893)	(1,218,434)	(747,095)	(5,611,079)
<b>Other financing sources (uses):</b>										
Transfers in	-	-	-	-	-	-	-	-	80,000	80,000
Transfers out	-	-	-	-	-	-	-	-	(80,000)	(80,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,929,596)	(112,865)	(298,999)	780,513	424,418	2,774,872	(3,283,893)	(1,218,434)	(747,095)	(5,611,079)
Cash and investments - beginning	1,198,757	(251,193)	1,383,057	(40,296)	78,909	(4,397,965)	5,733,915	335,068	977,601	5,017,853
Cash and investments - ending	\$ (2,730,839)	\$ (364,058)	\$ 1,084,058	\$ 740,217	\$ 503,327	\$ (1,623,093)	\$ 2,450,022	\$ (883,366)	\$ 230,506	(593,226)
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.										
										2,194,873
Net assets of governmental activities										\$ 1,601,647
<b>Cash and Investment Assets - Ending</b>										
Cash and investments	\$ (2,730,839)	\$ (364,058)	\$ 1,084,058	\$ 740,217	\$ 503,327	\$ -	\$ 2,450,022	\$ (883,366)	\$ 129,049	\$ 928,410
Restricted assets:										
Cash and investments	-	-	-	-	-	(1,623,093)	-	-	101,457	(1,521,636)
<b>Total cash and investment assets - ending</b>	<b>\$ (2,730,839)</b>	<b>\$ (364,058)</b>	<b>\$ 1,084,058</b>	<b>\$ 740,217</b>	<b>\$ 503,327</b>	<b>\$ (1,623,093)</b>	<b>\$ 2,450,022</b>	<b>\$ (883,366)</b>	<b>\$ 230,506</b>	<b>\$ (593,226)</b>
<b>Cash and Investment Fund Balance - Ending</b>										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,623,093)	\$ -	\$ -	\$ 101,457	\$ (1,521,636)
Unrestricted	(2,730,839)	(364,058)	1,084,058	740,217	503,327	-	2,450,022	(883,366)	129,049	928,410
<b>Total cash and investment fund balance - ending</b>	<b>\$ (2,730,839)</b>	<b>\$ (364,058)</b>	<b>\$ 1,084,058</b>	<b>\$ 740,217</b>	<b>\$ 503,327</b>	<b>\$ (1,623,093)</b>	<b>\$ 2,450,022</b>	<b>\$ (883,366)</b>	<b>\$ 230,506</b>	<b>\$ (593,226)</b>

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 7,302,502
Miscellaneous	<u>76,494</u>
Total operating receipts	<u>7,378,996</u>
Operating disbursements:	
Insurance claims and expense	<u>7,297,664</u>
Change in net assets	81,332
Cash and investment fund balance - beginning	<u>646,055</u>
Cash and investment fund balance - ending	<u>\$ 727,387</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 727,387</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 727,387</u>

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

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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 8,888,481
Miscellaneous	<u>71,450</u>
Total operating receipts	<u>8,959,931</u>
Operating disbursements:	
Insurance claims and expense	7,492,445
Change in net assets	1,467,486
Cash and investment fund balance - beginning	<u>727,387</u>
Cash and investment fund balance - ending	<u>\$ 2,194,873</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 2,194,873</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 2,194,873</u>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 127,532	
Investment earnings:			
Interest	<u>171,058</u>	<u>-</u>	
Total additions	<u>171,058</u>	<u>127,532</u>	
Deductions:			
Benefits	2,561,712	-	
Administrative and general	<u>-</u>	<u>283,761</u>	
Total deductions	<u>2,561,712</u>	<u>283,761</u>	
Deficiency of total additions over total deductions	(2,390,654)	(156,229)	
Cash and investment fund balance - beginning	<u>11,098,748</u>	<u>567,675</u>	
Cash and investment fund balance - ending	<u>\$ 8,708,094</u>	<u>\$ 411,446</u>	<u>\$ 2,299,466</u>
Net assets:			
Cash and investments	<u>\$ 8,708,094</u>	<u>\$ 411,446</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 8,708,094</u>	<u>\$ 411,446</u>	

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

MONROE COUNTY 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 Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 178,729	
Investment earnings:			
Interest	<u>235,602</u>	<u>-</u>	
Total additions	<u>235,602</u>	<u>178,729</u>	
Deductions:			
Benefits	914,725	-	
Administrative and general	<u>-</u>	<u>271,468</u>	
Total deductions	<u>914,725</u>	<u>271,468</u>	
Deficiency of total additions over total deductions	(679,123)	(92,739)	
Cash and investment fund balance - beginning	<u>8,708,094</u>	<u>411,446</u>	
Cash and investment fund balance - ending	<u>\$ 8,028,971</u>	<u>\$ 318,707</u>	<u>\$ 1,591,111</u>
Net assets:			
Cash and investments	<u>\$ 8,028,971</u>	<u>\$ 318,707</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 8,028,971</u>	<u>\$ 318,707</u>	

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

MONROE COUNTY 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.

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

Primary Government: Monroe County Community School Corporation

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

Joint Venture

The School Corporation is a participant with Eastern School Corporation in Greene County: Metropolitan School District of Martinsville; and Richland Bean-Blossom Community School Corporation in a joint venture to operate Hoosiers Hills Area Vocational School which was created to provide vocational education. The School Corporation is obligated by contract to remit their proportionate share of the net capita cost annually to supplement the Hoosier Hills Area Vocational School. This joint venture will continue until there is written notice by either party of their intention to terminate. The financial transactions for this joint venture are included in the Statement of Receipts Disbursements and Cash and Investment Balances Governmental Funds as part of "Other."

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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,

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

The school lunch fund accounts for financial resources to provide breakfast and lunches to the school children.

The textbook rental funds accounts for the financial resources to provide textbooks to the school children.

Federal grants fund include a combination of federal grants that were reported as one fund. The revenues are from federal resources and are used per the requirements of the grant agreement.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for self-insurance provided to other departments on a cost-reimbursement basis. It is used for paying medical claims.

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the governmental unit.

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

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.
- 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, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit 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.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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:

1. 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.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007	2008
General	\$ -	\$ 2,730,839
Transportation Operating	251,193	364,058
Textbook Rental	40,296	-
Debt Service	4,397,965	1,623,093
School Bus Replacement	-	883,366
Special Education Preschool	29,957	-
Safe Route Program 2007-2008	6,200	-
Safe Route Program 2006-2007	112	1,521
Title I Grant 2001-2002	811	-
Title V Part A Innovative Programs 2006-2007	13,774	-
Safe and Drug Free Schools 2006-2007	2,870	-
Technology Preparation Career Majors	5,007	-
Biomedical Science Grant	5,358	12,762
Retirement Severance Bonds	222,942	-
Stay In School GE Program	337	-
Love Your Veggies Project	14	-
Head Lice Intervention	2,779	10
Joint Service Area Vocational Fund	-	200,423
Gifted and Talented 2004-2005	-	110
Title V Part A Innovative Programs 2007-2008	-	10,476
Special Education Grant	-	106,409
Preschool Grant Project 45708-042-PN01	-	2,627
Safe and Drug Free Schools 2007-2008	-	843
Lead The Way Grant	-	2,578
Improving Teacher Quality Enhanced Education	-	166
NCLB Reading First	-	33
School Improvement Plan	-	49
Bloomington Urban Enterprise Grants	-	2,462

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. Many of these deficits were due to late tax distributions.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
Transportation Operating	Capital Projects	\$ 165,115	\$ -
Other governmental	General Fund	91,698	-
Other governmental	Other governmental	<u>-</u>	<u>80,000</u>
Totals		<u>\$ 256,813</u>	<u>\$ 80,000</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent the reclassification of governmental funds to private purpose trust funds.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2006</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2006</u>
Other governmental fund	\$ 15,571,231	\$ (6,174)	\$ 15,565,057
Private-Purpose Trust	561,501	6,174	567,675

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

Group Health Insurance

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Insurance Reserve 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 \$200,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporation

The School Corporation has entered into a capital lease with Monroe County Community School Corporation 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, 2007 and 2008, were \$10,999,808 and \$7,038,136, respectively.

C. Subsequent Events

The School Corporation has approved several building projects totaling \$40.68 million to be funded by lease payments to the Monroe County Community School Corporation School Building Corporation.

Beginning in 2009, the School Corporation general and special education preschool funds' expenses are covered by state support and there will not be a property tax rate levied to support their expenses.

D. Termination Benefits

On July 24, 2006, the School Corporation paid Dr. John Maloy, Superintendent, \$406,000 to terminate the remainder of his contract. The School Corporation also agreed to pay COBRA premiums until January 31, 2008, unless Dr. John Maloy becomes employed with health insurance benefits.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

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MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment life, health, and dental insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least ten years of service. Currently, 334 retirees meet these eligibility requirements. The School Corporation and retirees provide varying amounts of these postemployment benefits, based upon the employee group and benefit plan the retiree belongs to. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 945,977
Interest on net pension obligation	(75,980)
Adjustment to annual required contribution	86,585
Annual pension cost	956,582
Contributions made	807,190
Increase in net pension obligation	149,392
Net pension obligation, beginning of year	(1,048,001)
Net pension obligation, end of year	\$ (898,609)

	PERF
Contribution rates:	
School Corporation	6.00%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 638,086	116%	\$ (1,030,261)
	06-30-06	756,044	102%	(1,048,001)
	06-30-07	956,582	84%	(898,609)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$1,652,989, \$1,454,413, and \$1,342,709, respectively. The School Corporation actually contributed 100%, of the required contribution for each of the fiscal years.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 12,817,479	\$ 14,160,584	\$ (1,343,105)	91%	\$ 12,381,592	(11%)
07-01-06	13,776,739	15,387,708	(1,610,969)	90%	13,179,956	(12%)
07-01-07	15,277,925	16,383,356	(1,105,431)	93%	13,587,963	(8%)

MONROE COUNTY 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

	Special Education Preschool	Levy Excess	Joint Service Area Vocational Fund	Alternative Education Fund	Early Intervention Fund 2006-2007	Early Intervention Fund 2007-2008
<b>Receipts:</b>						
Local sources	\$ 63,944	\$ -	\$ 1,239,411	\$ -	\$ -	\$ -
State sources	246,980	-	-	104,504	-	135,120
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	1,428	-	-	-
<b>Total receipts</b>	<b>310,924</b>	<b>-</b>	<b>1,240,839</b>	<b>104,504</b>	<b>-</b>	<b>135,120</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	313,510	-	1,007,932	64,166	-	42,112
Support services	-	-	141,279	-	4,857	70,186
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>313,510</b>	<b>-</b>	<b>1,149,211</b>	<b>64,166</b>	<b>4,857</b>	<b>112,298</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,586)</b>	<b>-</b>	<b>91,628</b>	<b>40,338</b>	<b>(4,857)</b>	<b>22,822</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(91,698)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(91,698)</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>(2,586)</b>	<b>(91,698)</b>	<b>91,628</b>	<b>40,338</b>	<b>(4,857)</b>	<b>22,822</b>
Cash and investments - beginning	(27,371)	91,698	29,298	40,725	4,857	20,253
Cash and investments - ending	<u>\$ (29,957)</u>	<u>\$ -</u>	<u>\$ 120,926</u>	<u>\$ 81,063</u>	<u>\$ -</u>	<u>\$ 43,075</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ (29,957)	\$ -	\$ 120,926	\$ 81,063	\$ -	\$ 43,075
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (29,957)</u>	<u>\$ -</u>	<u>\$ 120,926</u>	<u>\$ 81,063</u>	<u>\$ -</u>	<u>\$ 43,075</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(29,957)	-	120,926	81,063	-	43,075
<b>Total cash and investment fund balance - ending</b>	<u>\$ (29,957)</u>	<u>\$ -</u>	<u>\$ 120,926</u>	<u>\$ 81,063</u>	<u>\$ -</u>	<u>\$ 43,075</u>

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

MONROE COUNTY 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)

	Reading Recovery Fund	Gifted and Talented 2005-2006	Gifted and Talented 2006-2007	Non-English Speaking Program	Buddy System Childs	Technology Plan Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 770	\$ -	\$ -	\$ -
State sources	-	-	30,635	6,606	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>31,405</b>	<b>6,606</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	151	54	506	9,774	-	2,221
Support services	31,478	18,574	15,742	-	-	47,589
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>31,629</b>	<b>18,628</b>	<b>16,248</b>	<b>9,774</b>	<b>-</b>	<b>49,810</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(31,629)</b>	<b>(18,628)</b>	<b>15,157</b>	<b>(3,168)</b>	<b>-</b>	<b>(49,810)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(31,629)</b>	<b>(18,628)</b>	<b>15,157</b>	<b>(3,168)</b>	<b>-</b>	<b>(49,810)</b>
Cash and investments - beginning	35,766	18,754	-	5,539	110	64,291
Cash and investments - ending	<u>\$ 4,137</u>	<u>\$ 126</u>	<u>\$ 15,157</u>	<u>\$ 2,371</u>	<u>\$ 110</u>	<u>\$ 14,481</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 4,137	\$ 126	\$ 15,157	\$ 2,371	\$ 110	\$ 14,481
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 4,137</u>	<u>\$ 126</u>	<u>\$ 15,157</u>	<u>\$ 2,371</u>	<u>\$ 110</u>	<u>\$ 14,481</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,137	126	15,157	2,371	110	14,481
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,137</u>	<u>\$ 126</u>	<u>\$ 15,157</u>	<u>\$ 2,371</u>	<u>\$ 110</u>	<u>\$ 14,481</u>

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

MONROE COUNTY 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)

	Collaborative Inquire Grant	Reading With Technology	Relearning Grant North	Safe Route Program 2007-2008	Safe Route Program 2006-2007	Relearning Grant BHS North
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	14	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	37	-	-	-	-
Support services	-	636	716	6,200	112	279
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>673</b>	<b>716</b>	<b>6,200</b>	<b>112</b>	<b>279</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>(659)</b>	<b>(716)</b>	<b>(6,200)</b>	<b>(112)</b>	<b>(279)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>(659)</b>	<b>(716)</b>	<b>(6,200)</b>	<b>(112)</b>	<b>(279)</b>
Cash and investments - beginning	2,089	3,618	716	-	-	339
Cash and investments - ending	<u>\$ 2,089</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ (6,200)</u>	<u>\$ (112)</u>	<u>\$ 60</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 2,089	\$ 2,959	\$ -	\$ (6,200)	\$ (112)	\$ 60
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 2,089</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ (6,200)</u>	<u>\$ (112)</u>	<u>\$ 60</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,089	2,959	-	(6,200)	(112)	60
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,089</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ (6,200)</u>	<u>\$ (112)</u>	<u>\$ 60</u>

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

MONROE COUNTY 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)

	Governors Association Grant	Tech. High School NGA Planning	Title I Grant 2005-2006	Title I Grant 2006-2007	Title I Grant 2001-2002	Title I Part 2 Meadows
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 259	\$ -	\$ -	\$ -
State sources	50,000	25,000	-	-	-	-
Federal sources	-	-	160,900	1,658,952	-	6,759
Sale of property, adjustments and refunds	-	-	-	196,625	-	6,146
<b>Total receipts</b>	<b>50,000</b>	<b>25,000</b>	<b>161,159</b>	<b>1,855,577</b>	<b>-</b>	<b>12,905</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	6,032	262,953	1,290,817	811	4,831
Support services	-	-	288,659	186,381	-	-
Community services	-	-	957	23,834	-	-
Nonprogrammed charges	-	-	34,878	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>6,032</b>	<b>587,447</b>	<b>1,501,032</b>	<b>811</b>	<b>4,831</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>50,000</b>	<b>18,968</b>	<b>(426,288)</b>	<b>354,545</b>	<b>(811)</b>	<b>8,074</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>50,000</b>	<b>18,968</b>	<b>(426,288)</b>	<b>354,545</b>	<b>(811)</b>	<b>8,074</b>
Cash and investments - beginning	-	-	426,288	-	-	-
<b>Cash and investments - ending</b>	<b>\$ 50,000</b>	<b>\$ 18,968</b>	<b>\$ -</b>	<b>\$ 354,545</b>	<b>\$ (811)</b>	<b>\$ 8,074</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 50,000	\$ 18,968	\$ -	\$ 354,545	\$ (811)	\$ 8,074
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 50,000</b>	<b>\$ 18,968</b>	<b>\$ -</b>	<b>\$ 354,545</b>	<b>\$ (811)</b>	<b>\$ 8,074</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	50,000	18,968	-	354,545	(811)	8,074
<b>Total cash and investment fund balance - ending</b>	<b>\$ 50,000</b>	<b>\$ 18,968</b>	<b>\$ -</b>	<b>\$ 354,545</b>	<b>\$ (811)</b>	<b>\$ 8,074</b>

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

MONROE COUNTY 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 V Innovative Programs 2005-2006	Title V Part A Innovative Programs 2005-2006	Title V Part A Innovative Programs 2006-2007	McKinney Homeless Grant	Indiana Learn and Serve Grant	Special Education Grant 2005-2006
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	36,844	49,500	-	-
Sale of property, adjustments and refunds	90,000	80,000	-	-	-	-
<b>Total receipts</b>	<b>90,000</b>	<b>80,000</b>	<b>36,844</b>	<b>49,500</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	22,060	27,896	-	2,918	34,671
Support services	-	44,850	22,722	4,500	719	44,093
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	1,445	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>68,355</b>	<b>50,618</b>	<b>4,500</b>	<b>3,637</b>	<b>78,764</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>90,000</b>	<b>11,645</b>	<b>(13,774)</b>	<b>45,000</b>	<b>(3,637)</b>	<b>(78,764)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>90,000</b>	<b>11,645</b>	<b>(13,774)</b>	<b>45,000</b>	<b>(3,637)</b>	<b>(78,764)</b>
Cash and investments - beginning	(90,000)	(11,645)	-	4,500	4,378	78,764
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,774)</u>	<u>\$ 49,500</u>	<u>\$ 741</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ (13,774)	\$ 49,500	\$ 741	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,774)</u>	<u>\$ 49,500</u>	<u>\$ 741</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(13,774)	49,500	741	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,774)</u>	<u>\$ 49,500</u>	<u>\$ 741</u>	<u>\$ -</u>

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

MONROE COUNTY 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)

	Special Education Grant 2006-2007	Preschool Grant Project 45706-042-PY02	Preschool Grant Project 45707-042-PY02	Preschool Grant Project 45707-042-PN01	Preschool Grant Project 45705-042-PN01	Preschool Grant Project 45706-42-PN01
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	2,225,990	-	-	61,502	-	21,964
Sale of property, adjustments and refunds	54,974	4,901	-	-	-	-
<b>Total receipts</b>	<b>2,280,964</b>	<b>4,901</b>	<b>-</b>	<b>61,502</b>	<b>-</b>	<b>21,964</b>
<b>Disbursements:</b>						
Current:						
Instruction	1,845,086	-	(796)	57,930	-	15,522
Support services	293,152	-	-	-	2,723	4,901
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,138,238</b>	<b>-</b>	<b>(796)</b>	<b>57,930</b>	<b>2,723</b>	<b>20,423</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>142,726</b>	<b>4,901</b>	<b>796</b>	<b>3,572</b>	<b>(2,723)</b>	<b>1,541</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>142,726</b>	<b>4,901</b>	<b>796</b>	<b>3,572</b>	<b>(2,723)</b>	<b>1,541</b>
Cash and investments - beginning	(117,506)	-	(796)	-	2,723	(1,541)
Cash and investments - ending	\$ 25,220	\$ 4,901	\$ -	\$ 3,572	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 25,220	\$ 4,901	\$ -	\$ 3,572	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 25,220</b>	<b>\$ 4,901</b>	<b>\$ -</b>	<b>\$ 3,572</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	25,220	4,901	-	3,572	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 25,220</b>	<b>\$ 4,901</b>	<b>\$ -</b>	<b>\$ 3,572</b>	<b>\$ -</b>	<b>\$ -</b>

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

MONROE COUNTY 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)

	Preschool Grant Project 45705-101-PY02	Adult Education Outreach 2006-2007	Adult Education Outreach 2005-2006	Adult Basic Education Literacy	Adult Education Comprehensive Program	Safe and Drug Free Schools
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	278,186	-	-	-	61,761
Sale of property, adjustments and refunds	2,723	-	-	-	-	2,993
<b>Total receipts</b>	<b>2,723</b>	<b>278,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,754</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,679	177,651	5,545	6,867	31,710	(3,786)
Support services	-	55,054	1,383	1,032	14,942	(12,216)
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,600
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,679</b>	<b>232,705</b>	<b>6,928</b>	<b>7,899</b>	<b>46,652</b>	<b>(14,402)</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>44</b>	<b>45,481</b>	<b>(6,928)</b>	<b>(7,899)</b>	<b>(46,652)</b>	<b>79,156</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>44</b>	<b>45,481</b>	<b>(6,928)</b>	<b>(7,899)</b>	<b>(46,652)</b>	<b>79,156</b>
Cash and investments - beginning	(44)	(399)	6,928	7,899	47,282	(79,156)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 45,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 630</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 45,082	\$ -	\$ -	\$ 630	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 45,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 630</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	45,082	-	-	630	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 45,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 630</u>	<u>\$ -</u>

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

MONROE COUNTY 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)

	Safe and Drug Free Title IV 2007-2008	Safe and Drug Free Title IV 2006-2007	Carl Perkins Grant 2005-2006	Carl Perkins Grant 2006-2007	Technology Preparation Career Majors
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ 200	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	60,099	-	71,242	205,548	-
Sale of property, adjustments and refunds	-	-	18	-	-
<b>Total receipts</b>	<b>60,099</b>	<b>-</b>	<b>71,460</b>	<b>205,548</b>	<b>-</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	9,798	-	88,151	171,421	5,007
Support services	46,045	2,870	-	-	-
Community services	-	-	-	-	-
Nonprogrammed charges	1,232	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>57,075</b>	<b>2,870</b>	<b>88,151</b>	<b>171,421</b>	<b>5,007</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,024</b>	<b>(2,870)</b>	<b>(16,691)</b>	<b>34,127</b>	<b>(5,007)</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>3,024</b>	<b>(2,870)</b>	<b>(16,691)</b>	<b>34,127</b>	<b>(5,007)</b>
Cash and investments - beginning	-	-	16,691	-	-
<b>Cash and investments - ending</b>	<b>\$ 3,024</b>	<b>\$ (2,870)</b>	<b>\$ -</b>	<b>\$ 34,127</b>	<b>\$ (5,007)</b>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 3,024	\$ (2,870)	\$ -	\$ 34,127	\$ (5,007)
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 3,024</b>	<b>\$ (2,870)</b>	<b>\$ -</b>	<b>\$ 34,127</b>	<b>\$ (5,007)</b>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,024	(2,870)	-	34,127	(5,007)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,024</b>	<b>\$ (2,870)</b>	<b>\$ -</b>	<b>\$ 34,127</b>	<b>\$ (5,007)</b>

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

MONROE COUNTY 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)

	Biomedical Science Grant	National Science Foundation	Team Nutrition BHSN	Improving Teacher Quality Title II	Improving Teacher Quality Enhanced Education
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	396,933	-	842,975	244,223
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>396,933</b>	<b>-</b>	<b>842,975</b>	<b>244,223</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	5,358	350,868	269	83,532	136,457
Support services	-	-	-	581,372	41,992
Community services	-	-	-	-	-
Nonprogrammed charges	-	10,143	-	11,359	1,133
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>5,358</b>	<b>361,011</b>	<b>269</b>	<b>676,263</b>	<b>179,582</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(5,358)</b>	<b>35,922</b>	<b>(269)</b>	<b>166,712</b>	<b>64,641</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(5,358)</b>	<b>35,922</b>	<b>(269)</b>	<b>166,712</b>	<b>64,641</b>
Cash and investments - beginning	-	156,551	290	(143,719)	(1,330)
<b>Cash and investments - ending</b>	<b>\$ (5,358)</b>	<b>\$ 192,473</b>	<b>\$ 21</b>	<b>\$ 22,993</b>	<b>\$ 63,311</b>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ (5,358)	\$ 192,473	\$ 21	\$ 22,993	\$ 63,311
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (5,358)</b>	<b>\$ 192,473</b>	<b>\$ 21</b>	<b>\$ 22,993</b>	<b>\$ 63,311</b>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(5,358)	192,473	21	22,993	63,311
<b>Total cash and investment fund balance - ending</b>	<b>\$ (5,358)</b>	<b>\$ 192,473</b>	<b>\$ 21</b>	<b>\$ 22,993</b>	<b>\$ 63,311</b>

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

MONROE COUNTY 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)

	English Proficiency Migrant Title III	21st Century Scholars	School Improvement Grant	Retirement Severance Bonds	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 119,641	\$ 1,424,225
State sources	-	-	-	-	598,845
Federal sources	104,135	97,981	64,102	-	6,649,596
Sale of property, adjustments and refunds	-	-	-	-	439,822
<b>Total receipts</b>	<b>104,135</b>	<b>97,981</b>	<b>64,102</b>	<b>119,641</b>	<b>9,112,488</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	86,433	-	33,279	-	6,202,433
Support services	-	83,893	-	-	2,046,715
Community services	-	-	7,466	-	32,257
Nonprogrammed charges	-	-	-	-	61,790
Debt services	-	-	-	343,365	343,365
<b>Total disbursements</b>	<b>86,433</b>	<b>83,893</b>	<b>40,745</b>	<b>343,365</b>	<b>8,686,560</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>17,702</b>	<b>14,088</b>	<b>23,357</b>	<b>(223,724)</b>	<b>425,928</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(91,698)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91,698)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>17,702</b>	<b>14,088</b>	<b>23,357</b>	<b>(223,724)</b>	<b>334,230</b>
Cash and investments - beginning	18,217	27,532	-	782	643,371
<b>Cash and investments - ending</b>	<b>\$ 35,919</b>	<b>\$ 41,620</b>	<b>\$ 23,357</b>	<b>\$ (222,942)</b>	<b>\$ 977,601</b>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 35,919	\$ 41,620	\$ 23,357	\$ -	\$ 1,200,543
<b>Restricted assets:</b>					
Cash and investments	-	-	-	(222,942)	(222,942)
<b>Total cash and investment assets - ending</b>	<b>\$ 35,919</b>	<b>\$ 41,620</b>	<b>\$ 23,357</b>	<b>\$ (222,942)</b>	<b>\$ 977,601</b>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ (222,942)	\$ (222,942)
Unrestricted	35,919	41,620	23,357	-	1,200,543
<b>Total cash and investment fund balance - ending</b>	<b>\$ 35,919</b>	<b>\$ 41,620</b>	<b>\$ 23,357</b>	<b>\$ (222,942)</b>	<b>\$ 977,601</b>

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

MONROE COUNTY 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

	Special Education Preschool	Joint Service Area Vocational Fund	Alternative Education Fund	Early Intervention Fund	Reading Recovery	Gifted and Talented 2005-2006
<b>Receipts:</b>						
Local sources	\$ 91,951	\$ 961,246	\$ -	\$ -	\$ -	\$ -
State sources	225,328	-	65,570	18,000	-	-
Federal sources	-	-	-	-	-	-
<b>Total receipts</b>	<b>317,279</b>	<b>961,246</b>	<b>65,570</b>	<b>18,000</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	266,588	1,090,863	98,643	798	-	-
Support services	-	191,732	-	21,740	4,137	126
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>266,588</b>	<b>1,282,595</b>	<b>98,643</b>	<b>22,538</b>	<b>4,137</b>	<b>126</b>
Excess (deficiency) of receipts over disbursements	50,691	(321,349)	(33,073)	(4,538)	(4,137)	(126)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50,691	(321,349)	(33,073)	(4,538)	(4,137)	(126)
Cash and investments - beginning	(29,957)	120,926	81,063	43,075	4,137	126
Cash and investments - ending	<u>\$ 20,734</u>	<u>\$ (200,423)</u>	<u>\$ 47,990</u>	<u>\$ 38,537</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 20,734	\$ (200,423)	\$ 47,990	\$ 38,537	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 20,734</u></b>	<b><u>\$ (200,423)</u></b>	<b><u>\$ 47,990</u></b>	<b><u>\$ 38,537</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,734	(200,423)	47,990	38,537	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 20,734</u></b>	<b><u>\$ (200,423)</u></b>	<b><u>\$ 47,990</u></b>	<b><u>\$ 38,537</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

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

MONROE COUNTY 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)

	Gifted and Talented 2006-2007	Gifted and Talented 2004-2005	Gifted and Talented 2007-2008	Non-English Speaking Program	Buddy System Childs	Technology Plan Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	74,528	75,584	-	-
Federal sources	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>74,528</b>	<b>75,584</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	563	-	351	59,986	110	2,286
Support services	14,594	110	43,159	-	-	12,195
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>15,157</b>	<b>110</b>	<b>43,510</b>	<b>59,986</b>	<b>110</b>	<b>14,481</b>
Excess (deficiency) of receipts over disbursements	(15,157)	(110)	31,018	15,598	(110)	(14,481)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,157)	(110)	31,018	15,598	(110)	(14,481)
Cash and investments - beginning	15,157	-	-	2,371	110	14,481
Cash and investments - ending	\$ -	\$ (110)	\$ 31,018	\$ 17,969	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ (110)	\$ 31,018	\$ 17,969	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (110)</b>	<b>\$ 31,018</b>	<b>\$ 17,969</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(110)	31,018	17,969	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (110)</b>	<b>\$ 31,018</b>	<b>\$ 17,969</b>	<b>\$ -</b>	<b>\$ -</b>

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

MONROE COUNTY 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)

	Collaborative Inquire Grant	Reading With Technology	Safe Route Program 2007-2008	Safe Route Program 2006-2007	Relearning Grant BHS North	Governors Association Grant
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	21,568
Support services	-	2,413	(6,200)	1,409	60	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>2,413</b>	<b>(6,200)</b>	<b>1,409</b>	<b>60</b>	<b>21,568</b>
Excess (deficiency) of receipts over disbursements	-	(2,413)	6,200	(1,409)	(60)	(21,568)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,413)	6,200	(1,409)	(60)	(21,568)
Cash and investments - beginning	2,089	2,959	(6,200)	(112)	60	50,000
Cash and investments - ending	<u>\$ 2,089</u>	<u>\$ 546</u>	<u>\$ -</u>	<u>\$ (1,521)</u>	<u>\$ -</u>	<u>\$ 28,432</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 2,089	\$ 546	\$ -	\$ (1,521)	\$ -	\$ 28,432
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 2,089</u>	<u>\$ 546</u>	<u>\$ -</u>	<u>\$ (1,521)</u>	<u>\$ -</u>	<u>\$ 28,432</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,089	546	-	(1,521)	-	28,432
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,089</u>	<u>\$ 546</u>	<u>\$ -</u>	<u>\$ (1,521)</u>	<u>\$ -</u>	<u>\$ 28,432</u>

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

MONROE COUNTY 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)

	Technology High School NGA Grant	Title I Grant 2006-2007	Title I Grant 2001-2002	Title I Part 2 Meadows	Title V Part A Innovative Programs 2006-2007	Title V Part A Innovative Programs 2007-2008
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	157,527	-	-	-	18,085
<b>Total receipts</b>	<b>-</b>	<b>157,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,085</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	6,952	260,087	(811)	1,165	40,458	2,299
Support services	-	217,946	-	6,825	25,013	26,262
Community services	-	8,247	-	-	-	-
Nonprogrammed charges	-	25,792	-	84	755	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,952</b>	<b>512,072</b>	<b>(811)</b>	<b>8,074</b>	<b>66,226</b>	<b>28,561</b>
Excess (deficiency) of receipts over disbursements	(6,952)	(354,545)	811	(8,074)	(66,226)	(10,476)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	80,000	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,952)	(354,545)	811	(8,074)	13,774	(10,476)
Cash and investments - beginning	18,968	354,545	(811)	8,074	(13,774)	-
Cash and investments - ending	<u>\$ 12,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,476)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 12,016	\$ -	\$ -	\$ -	\$ -	\$ (10,476)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 12,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,476)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,016	-	-	-	-	(10,476)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 12,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,476)</u>

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

MONROE COUNTY 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)

	McKinney Homeless Grant	Indiana Learn and Serve Grant	Special Education Grant 2006-2007	Special Education Grant 2007-2008	Preschool Grant Project 45706-042-PY02	Preschool Grant Project 45708-042-PN01
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 210	\$ 48,452	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	70,780	-	2,086,611	-	-	60,252
<b>Total receipts</b>	<u>70,780</u>	<u>-</u>	<u>2,086,821</u>	<u>48,452</u>	<u>-</u>	<u>60,252</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	741	1,836,378	31,347	4,901	62,879
Support services	86,000	-	382,072	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>86,000</u>	<u>741</u>	<u>2,218,450</u>	<u>31,347</u>	<u>4,901</u>	<u>62,879</u>
Excess (deficiency) of receipts over disbursements	<u>(15,220)</u>	<u>(741)</u>	<u>(131,629)</u>	<u>17,105</u>	<u>(4,901)</u>	<u>(2,627)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(15,220)</u>	<u>(741)</u>	<u>(131,629)</u>	<u>17,105</u>	<u>(4,901)</u>	<u>(2,627)</u>
Cash and investments - beginning	<u>49,500</u>	<u>741</u>	<u>25,220</u>	<u>-</u>	<u>4,901</u>	<u>-</u>
Cash and investments - ending	<u>\$ 34,280</u>	<u>\$ -</u>	<u>\$ (106,409)</u>	<u>\$ 17,105</u>	<u>\$ -</u>	<u>\$ (2,627)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 34,280	\$ -	\$ (106,409)	\$ 17,105	\$ -	\$ (2,627)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 34,280</u>	<u>\$ -</u>	<u>\$ (106,409)</u>	<u>\$ 17,105</u>	<u>\$ -</u>	<u>\$ (2,627)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	34,280	-	(106,409)	17,105	-	(2,627)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 34,280</u>	<u>\$ -</u>	<u>\$ (106,409)</u>	<u>\$ 17,105</u>	<u>\$ -</u>	<u>\$ (2,627)</u>

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

MONROE COUNTY 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)

	Preschool Grant Project 45708-042-PY02	Preschool Grant Project 45707-042-PN01	Adult Education Outreach 2006-2007	Adult Education Outreach 2007-2008	Adult Education English Literacy
<b>Receipts:</b>					
Local sources	\$ 2,142	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	15,379	-	28,000	36,000
<b>Total receipts</b>	<b>2,142</b>	<b>15,379</b>	<b>-</b>	<b>28,000</b>	<b>36,000</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	16,809	31,992	19,384	23,754
Support services	-	2,142	13,090	8,376	3,943
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>18,951</b>	<b>45,082</b>	<b>27,760</b>	<b>27,697</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>2,142</b>	<b>(3,572)</b>	<b>(45,082)</b>	<b>240</b>	<b>8,303</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,142</b>	<b>(3,572)</b>	<b>(45,082)</b>	<b>240</b>	<b>8,303</b>
Cash and investments - beginning	-	3,572	45,082	-	-
<b>Cash and investments - ending</b>	<b>\$ 2,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240</b>	<b>\$ 8,303</b>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 2,142	\$ -	\$ -	\$ 240	\$ 8,303
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 2,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240</b>	<b>\$ 8,303</b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,142	-	-	240	8,303
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240</b>	<b>\$ 8,303</b>

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

MONROE COUNTY 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)

	Adult Education Comprehensive 2007-2008	Adult Education Comprehensive 2006-2007	Safe and Drug Free Title IV 2006-2007	Safe and Drug Free Title IV 2007-2008	Lead The Way Grant
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	213,397	-	-	48,240	4,919
<b>Total receipts</b>	<u>213,397</u>	<u>-</u>	<u>-</u>	<u>48,240</u>	<u>4,919</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	125,273	630	-	150	7,497
Support services	54,202	-	3,024	46,063	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>179,475</u>	<u>630</u>	<u>3,024</u>	<u>46,213</u>	<u>7,497</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>33,922</u>	<u>(630)</u>	<u>(3,024)</u>	<u>2,027</u>	<u>(2,578)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>33,922</u>	<u>(630)</u>	<u>(3,024)</u>	<u>2,027</u>	<u>(2,578)</u>
Cash and investments - beginning	-	630	3,024	(2,870)	-
<b>Cash and investments - ending</b>	<u>\$ 33,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (843)</u>	<u>\$ (2,578)</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 33,922	\$ -	\$ -	\$ (843)	\$ (2,578)
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 33,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (843)</u>	<u>\$ (2,578)</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	33,922	-	-	(843)	(2,578)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 33,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (843)</u>	<u>\$ (2,578)</u>

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

MONROE COUNTY 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)

	Moving Forward Grant	Carl Perkins 2006-2007	Technology Preparation Career Majors	Carl Perkins 2007-2008	Biomedical Science Grant
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	44,036	65,111	20,000	186,744	43,413
<b>Total receipts</b>	<b>44,036</b>	<b>65,111</b>	<b>20,000</b>	<b>186,744</b>	<b>43,413</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	44,036	99,238	14,993	183,138	50,817
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>44,036</b>	<b>99,238</b>	<b>14,993</b>	<b>183,138</b>	<b>50,817</b>
Excess (deficiency) of receipts over disbursements	-	(34,127)	5,007	3,606	(7,404)
<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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(34,127)	5,007	3,606	(7,404)
Cash and investments - beginning	-	34,127	(5,007)	-	(5,358)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,606</u>	<u>\$ (12,762)</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 3,606	\$ (12,762)
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,606</u></b>	<b><u>\$ (12,762)</u></b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	3,606	(12,762)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,606</u></b>	<b><u>\$ (12,762)</u></b>

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

MONROE COUNTY 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)

	National Science Foundation	Team Nutrition BHSN	Improving Teacher Quality NCLB Title II Part A	Improving Teacher Quality Enhanced Education	English Proficiency Migrant Title III
<b>Receipts:</b>					
Local sources	\$ 37,734	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	292,896	-	493,122	20,007	56,947
<b>Total receipts</b>	<u>330,630</u>	<u>-</u>	<u>493,122</u>	<u>20,007</u>	<u>56,947</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	422,682	-	39,022	14,412	74,967
Support services	25,892	21	373,084	68,383	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	8,971	689	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>448,574</u>	<u>21</u>	<u>421,077</u>	<u>83,484</u>	<u>74,967</u>
Excess (deficiency) of receipts over disbursements	<u>(117,944)</u>	<u>(21)</u>	<u>72,045</u>	<u>(63,477)</u>	<u>(18,020)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(80,000)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(117,944)</u>	<u>(21)</u>	<u>(7,955)</u>	<u>(63,477)</u>	<u>(18,020)</u>
Cash and investments - beginning	<u>192,473</u>	<u>21</u>	<u>22,993</u>	<u>63,311</u>	<u>35,919</u>
Cash and investments - ending	<u>\$ 74,529</u>	<u>\$ -</u>	<u>\$ 15,038</u>	<u>\$ (166)</u>	<u>\$ 17,899</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 74,529	\$ -	\$ 15,038	\$ (166)	\$ 17,899
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 74,529</u>	<u>\$ -</u>	<u>\$ 15,038</u>	<u>\$ (166)</u>	<u>\$ 17,899</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	74,529	-	15,038	(166)	17,899
<b>Total cash and investment fund balance - ending</b>	<u>\$ 74,529</u>	<u>\$ -</u>	<u>\$ 15,038</u>	<u>\$ (166)</u>	<u>\$ 17,899</u>

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

MONROE COUNTY 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)

	NCLB Title II Part B Math and Science	NCLB Reading First	School Improvement Plan	Retirement Severance Bonds	Totals
<b>Receipts:</b>					
Local sources	\$ 40,000	\$ -	\$ -	\$ 1,049,282	\$ 2,231,017
State sources	-	-	-	-	459,010
Federal sources	65,543	-	-	-	4,027,009
<b>Total receipts</b>	<b>105,543</b>	<b>-</b>	<b>-</b>	<b>1,049,282</b>	<b>6,717,036</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	33	6,587	-	4,963,566
Support services	86,512	-	13,481	-	1,727,806
Community services	-	-	3,338	-	11,585
Nonprogrammed charges	-	-	-	-	36,291
Debt services	-	-	-	724,883	724,883
<b>Total disbursements</b>	<b>86,512</b>	<b>33</b>	<b>23,406</b>	<b>724,883</b>	<b>7,464,131</b>
Excess (deficiency) of receipts over disbursements	19,031	(33)	(23,406)	324,399	(747,095)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	80,000
Transfers out	-	-	-	-	(80,000)
<b>Total other financing sources (uses)</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	19,031	(33)	(23,406)	324,399	(747,095)
Cash and investments - beginning	41,620	-	23,357	(222,942)	977,601
Cash and investments - ending	<u>\$ 60,651</u>	<u>\$ (33)</u>	<u>\$ (49)</u>	<u>\$ 101,457</u>	<u>\$ 230,506</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 60,651	\$ (33)	\$ (49)	\$ -	\$ 129,049
Restricted assets:					
Cash and investments	-	-	-	101,457	101,457
<b>Total cash and investment assets - ending</b>	<b>\$ 60,651</b>	<b>\$ (33)</b>	<b>\$ (49)</b>	<b>\$ 101,457</b>	<b>\$ 230,506</b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 101,457	\$ 101,457
Unrestricted	60,651	(33)	(49)	-	129,049
<b>Total cash and investment fund balance - ending</b>	<b>\$ 60,651</b>	<b>\$ (33)</b>	<b>\$ (49)</b>	<b>\$ 101,457</b>	<b>\$ 230,506</b>

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

MONROE COUNTY 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

	School Attendance Program	Raymond Foundation Grant	Stay In School GE Program	Raymond Foundation Grant	Love Your Veggies Project	Community Foundation Grant	Head Lice Intervention
Additions:							
Contributions:							
Other	\$ 5,334	\$ 11,234	\$ 2,338	\$ 9,374	\$ -	\$ -	\$ -
Deductions:							
Administrative and general	4,678	11,222	2,675	7,385	626	2,200	-
Excess (deficiency) of total additions over total deductions	656	12	(337)	1,989	(626)	(2,200)	-
Cash and investment fund balance - beginning	5,847	-	-	-	612	2,490	(2,779)
Cash and investments - June 30	<u>\$ 6,503</u>	<u>\$ 12</u>	<u>\$ (337)</u>	<u>\$ 1,989</u>	<u>\$ (14)</u>	<u>\$ 290</u>	<u>\$ (2,779)</u>
Net assets:							
Cash and investments	\$ 6,503	\$ 12	\$ (337)	\$ 1,989	\$ (14)	\$ 290	\$ (2,779)
Total net assets - cash and investment basis held in trust	<u>\$ 6,503</u>	<u>\$ 12</u>	<u>\$ (337)</u>	<u>\$ 1,989</u>	<u>\$ (14)</u>	<u>\$ 290</u>	<u>\$ (2,779)</u>

MONROE COUNTY 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  
 (Continued)

	Monroe County Cares Grant	Project Peace Fairview	Cares Grant Parents	Cape III Grant	School Assistance Fund	Panhellenic Fund
<b>Additions:</b>						
Contributions:						
Other	\$ 14,782	\$ 1,000	\$ -	\$ 60,907	\$ 16,358	\$ 205
<b>Deductions:</b>						
Administrative and general	12,369	1,402	1,211	213,090	22,759	-
Excess (deficiency) of total additions over total deductions	2,413	(402)	(1,211)	(152,183)	(6,401)	205
Cash and investment fund balance - beginning	1,885	2,333	1,255	539,929	15,424	940
Cash and investments - June 30	<u>\$ 4,298</u>	<u>\$ 1,931</u>	<u>\$ 44</u>	<u>\$ 387,746</u>	<u>\$ 9,023</u>	<u>\$ 1,145</u>
<b>Net assets:</b>						
Cash and investments	<u>\$ 4,298</u>	<u>\$ 1,931</u>	<u>\$ 44</u>	<u>\$ 387,746</u>	<u>\$ 9,023</u>	<u>\$ 1,145</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,298</u>	<u>\$ 1,931</u>	<u>\$ 44</u>	<u>\$ 387,746</u>	<u>\$ 9,023</u>	<u>\$ 1,145</u>

MONROE COUNTY 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  
 (Continued)

	New Tech. High School	Science Olympiad Team BHSN	Learning To Give Indiana	3-A Day Nutrition Grant	Parents Make a Difference News	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 1,000	\$ 5,000	\$ -	\$ 127,532
Deductions:						
Administrative and general	(480)	185	1,343	3,975	(879)	283,761
Excess (deficiency) of total additions over total deductions	480	(185)	(343)	1,025	879	(156,229)
Cash and investment fund balance - beginning	(480)	185	913	-	(879)	567,675
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570</u>	<u>\$ 1,025</u>	<u>\$ -</u>	<u>\$ 411,446</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570</u>	<u>\$ 1,025</u>	<u>\$ -</u>	<u>\$ 411,446</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570</u>	<u>\$ 1,025</u>	<u>\$ -</u>	<u>\$ 411,446</u>

MONROE COUNTY 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

	School Attendance Program	Raymond Foundation Grant	Stay In School GE Program	Raymond Foundation Grant	Love Your Veggies Project	Bloomington Urban Enterprise Grants	Community Foundation Grant
Additions:							
Contributions:							
Other	\$ 24,354	\$ -	\$ 2,634	\$ -	\$ 8,500	\$ 28,276	\$ -
Deductions:							
Administrative and general	23,719	12	1,841	1,989	(14)	30,738	290
Excess (deficiency) of total additions over total deductions	635	(12)	793	(1,989)	8,514	(2,462)	(290)
Cash and investment fund balance - beginning	6,503	12	(337)	1,989	(14)	-	290
Cash and investments - June 30	<u>\$ 7,138</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 8,500</u>	<u>\$ (2,462)</u>	<u>\$ -</u>
Net assets:							
Cash and investments	\$ 7,138	\$ -	\$ 456	\$ -	\$ 8,500	\$ (2,462)	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ 7,138</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 8,500</u>	<u>\$ (2,462)</u>	<u>\$ -</u>

MONROE COUNTY 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)

	Head Lice Intervention	Multicultural Program	VETS Project IU	Monroe County Cares Grant	Project Peace Fairview	Cares Grant Parents	Cape III Grant
Additions:							
Contributions:							
Other	\$ 1,228	\$ 350	\$ 1,500	\$ 9,160	\$ -	\$ -	\$ 62,354
Deductions:							
Administrative and general	(1,541)	-	1,316	6,794	1,054	-	192,338
Excess (deficiency) of total additions over total deductions	2,769	350	184	2,366	(1,054)	-	(129,984)
Cash and investment fund balance - beginning	(2,779)	-	-	4,298	1,931	44	387,746
Cash and investments - June 30	<u>\$ (10)</u>	<u>\$ 350</u>	<u>\$ 184</u>	<u>\$ 6,664</u>	<u>\$ 877</u>	<u>\$ 44</u>	<u>\$ 257,762</u>
Net assets:							
Cash and investments	\$ (10)	\$ 350	\$ 184	\$ 6,664	\$ 877	\$ 44	\$ 257,762
Total net assets - cash and investment basis held in trust	<u>\$ (10)</u>	<u>\$ 350</u>	<u>\$ 184</u>	<u>\$ 6,664</u>	<u>\$ 877</u>	<u>\$ 44</u>	<u>\$ 257,762</u>

MONROE COUNTY 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)

	School Assistance Fund	Panhellenic Fund	New Tech. High School	Science Olympiad Team BHSN	Learning To Give Indiana	3-A Day Nutrition Grant	Totals
Additions:							
Contributions:							
Other	\$ 22,718	\$ 45	\$ 12,000	\$ 5,610	\$ -	\$ -	\$ 178,729
Deductions:							
Administrative and general	12,245	25	-	294	359	9	271,468
Excess (deficiency) of total additions over total deductions	10,473	20	12,000	5,316	(359)	(9)	(92,739)
Cash and investment fund balance - beginning	9,023	1,145	-	-	570	1,025	411,446
Cash and investments - June 30	<u>\$ 19,496</u>	<u>\$ 1,165</u>	<u>\$ 12,000</u>	<u>\$ 5,316</u>	<u>\$ 211</u>	<u>\$ 1,016</u>	<u>\$ 318,707</u>
Net assets:							
Cash and investments	\$ 19,496	\$ 1,165	\$ 12,000	\$ 5,316	\$ 211	\$ 1,016	\$ 318,707
Total net assets - cash and investment basis held in trust	<u>\$ 19,496</u>	<u>\$ 1,165</u>	<u>\$ 12,000</u>	<u>\$ 5,316</u>	<u>\$ 211</u>	<u>\$ 1,016</u>	<u>\$ 318,707</u>

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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	\$ 2,540,806
Buildings	127,013,118
Improvements other than buildings	11,256,471
Machinery and equipment	18,790,460
Construction in progress	<u>2,000,000</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 161,600,855</u>

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental Activities:</b>		
<b>Capital leases:</b>		
Clear Creek Elementary, Highland Park Elementary, Fairview Elementary, Childs Elementary and Tri-North Middle School	\$ 2,690,351	\$ 1,923,107
Templeton Elementary and University Elementary	560,000	573,440
Grandview Elementary, Jackson Creek Middle School, and Bloomington South High School	38,086,705	7,089,418
Summit Elementary, Batchelor Middle School and Bloomington North High School	34,280,000	4,285,831
Broadview Learning Center	4,205,000	517,443
Child Elementary Energy Savings	226,378	120,000
Notes and loans payable	16,188,602	16,188,602
Contract Land Purchase Miller Drive	2,124,607	177,154
<b>Bonds payable:</b>		
<b>General obligation bonds:</b>		
Retirement/Severance Bonds	<u>11,145,000</u>	<u>1,511,280</u>
<b>Total governmental activities debt</b>	<b><u>\$ 109,506,643</u></b>	<b><u>\$ 32,386,275</u></b>

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. Posting errors made to the computer ledger were not corrected. Hand posted records are kept in addition to the computer records. Reconcilements are not made timely between hand posted records and the bank. As of May 1, 2009, reconcilements had been made through November 2008. Computer records are kept for financial presentation purposes, including the Form 9 report. No effort was made to reconcile bank records to the computer records for the period of audit.

Prior audit adjustments to the reconcilement had not been made. Form 9 financial reports are submitted to the Department of Education before they have been reconciled.

Weakness in internal control due to lack of segregation of duties was noted. The same book-keeper collects cash, makes deposit, post receipts and performs monthly reconcilements.

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)

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 for Indiana Public School Corporation, Chapter 9)

A similar comment appeared in prior Report B30107.

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations were not performed timely and had only been completed through November 2008 as of May 1, 2009. Reconcilements were performed using hand posted records; however, the hand posted records were not tied to the funds ledger. The reconcilement at June 30, 2008, from the bank balance to the hand posted records indicated cash short of \$193.76 and the difference between the hand posted records and the computer financial statement was cash long of \$20,856.76.

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

At all times, the manual and/ or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, 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)

A similar comment appear in the prior Report B30107.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

OLD OUTSTANDING CHECKS

Our review of the bank reconcilements as of June 30, 2007, and June 30, 2008, revealed checks outstanding in excess of two years.

IC 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

IC 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

A similar comment appeared in the prior Report B30107.

OVERDRAWN FUND BALANCES

The Transportation Operating, Textbook Rental, Debt Service, Special Education Preschool, Safe Route Program 2007-2008, Safe Route Program 2006-2007, Title I Grant 2001-2002, Title V Part A Innovative Programs 2006-2007, Technology Preparation Career Majors, Biomedical Science Grant, Retirement Severance Bonds, Stay In School GE Program, Love Your Veggies Project and Head Lice Intervention were overdrawn in 2007.

The General, Transportation Operating, Debt Service, School Bus Replacement, Joint Service Area Vocational Fund, Gifted and Talented 2004-2005, Safe Route Program 2006-2007, Title V Part A Innovative Programs 2007-2008, Special Education Grant 2006-2007, Preschool Grant Project 45708-042-PN01, Safe and Drug Free Title IV 2007-2008, Lead The Way Grant, Biomedical Science Grant, Improving Teacher Quality Enhanced Education, NCLB Reading First, School Improvement Plan, Bloomington Urban Enterprise Grants and Head Lice Intervention were overdrawn in 2008.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

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)

A similar comment appeared in the prior Report B30107.

ADVANCE PAYMENTS

We noted \$1,725 worth of gift cards were purchased with federal funds during June 2007 from the Twenty First Century Community Learning Centers Program. The gift cards were given to staff as a recognition gift.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PUBLIC WORKS PROJECT

The School Corporation entered into several construction contracts for improvements to buildings. During the period of construction a change order with B & L Sheet Metal and two change orders with Neidigh Construction were found but were not signed by the School Board; and two change orders with Weddle Brothers Construction could not be found.

IC 36-1-12-18 states:

(a) If, in the course of the construction, reconstruction, or repair of a public work project, it becomes necessary to change or alter the original specifications, a change order may be issued to add, delete, or change an item or items in the original contract. The change order becomes an addendum to the contract and must be approved and signed by the board and the contractor.

(b) If a licensed architect or engineer is assigned to the public work project, the change order must be prepared by that person.

(c) A change order may not be issued before commencement of the actual construction, reconstruction, or repairs except in the case of an emergency. In that case, the board must make a declaration, and the board's minutes must show the nature of the emergency.

(d) The total of all change orders issued that increase the scope of the project may not exceed twenty percent (20%) of the amount of the original contract. A change order issued as a result of circumstances that could not have been reasonably foreseen does not increase the scope of the project.

(e) All change orders must be directly related to the original public work project.

(f) If additional units of materials included in the original contract are needed, the cost of these units in the change order must be the same as those shown in the original contract.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

DEPOSITS - Binford Elementary, Summit Elementary, and North High School

Receipts in numerous instances were deposited later than the next business day. A similar comment was in prior Report B30107.

IC 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. . ."

RECEIPT ISSUANCE - Arlington Elementary and Rogers Elementary

Receipts were not always issued or recorded on or before the date of the deposit. A receipt should be issued at the time of its receipt rather than before the deposit is made.

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)

DEPOSITS - Clear Creek Elementary

Some receipts were written without the classification of the check amount and the cash amount. This made it impossible to match the receipt with the bank deposit.

IC 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

OVERDRAWN FUND BALANCES

Rogers Elementary:

The Fundraising Fund was overdrawn in the 2007-2008 school year.

North High:

The North Chapter of BPA and North International Cougars funds were overdrawn in the 2007-2008 school year.

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 Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 MONROE COUNTY COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

Compliance

We have audited the compliance of the Monroe County 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, 2007 and 2008. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

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)

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 2008-2 and 2008-3 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 2008-3, 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, School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 30, 2009

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553	None	\$ 272,730	\$ 350,974
National School Lunch Program	10.555	None	<u>1,511,256</u>	<u>1,655,859</u>
Total for cluster			<u>1,783,986</u>	<u>2,006,833</u>
Team Nutrition Grants CNTN-05-IN-1	10.574	None	<u>500</u>	<u>-</u>
Total for federal grantor agency			<u>1,784,486</u>	<u>2,006,833</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Special Education Cluster	84.027			
Special Education - Grants to States				
		14205-042-DY01	26,091	-
		14205-042-PY02	78,764	-
		14506-042-PN01	318,118	-
		14206-042-PY02	48,774	6,024
		14207-042-PN01	1,697,807	400,696
		14207-042-PY02	-	31,347
		14208-042-PN01	<u>-</u>	<u>1,763,067</u>
Total for program			<u>2,169,554</u>	<u>2,201,134</u>
Special Education - Preschool Grants	84.173			
		45706-042-PN01	20,423	-
		45705-101-PY02	2,680	-
		45707-042-PY01	57,930	18,951
		45706-042-PY02	-	4,901
		45708-042-PN01	<u>-</u>	<u>62,879</u>
Total for program			<u>81,033</u>	<u>86,731</u>
Total for cluster			<u>2,250,587</u>	<u>2,287,865</u>
Pass-Through Indiana Department of Education Adult Education - Basic Grants to States	84.002			
		FY 2007-8130	21,700	6,780
		FY 2007-8405	26,705	6,295
		FY 2007-8023	184,699	32,007
		FY 2008-8130	-	28,000
		FY 2008-8405	-	27,700
		FY 2008-8023	<u>-</u>	<u>179,475</u>
Total for program			<u>233,104</u>	<u>280,257</u>
Title I Grants to Local Educational Agencies	84.010			
		FY 06-5740	390,562	-
		FY 06-5740 Part 2	5,608	-
		FY 06-5740 School Improvement	26,591	-
		FY 07-5740	1,501,031	512,074
		FY 07-5740 Part 2	4,831	1,249
		FY 07-5740 School Improvement	40,747	23,355
		FY 08-5740	-	1,762,363
		FY 08-5740 School Improvement	<u>-</u>	<u>15,882</u>
Total for program			<u>1,969,370</u>	<u>2,314,923</u>
Vocational Education - Basic Grants	84.048			
		06-4700-5740	87,933	-
		07-4700-5740	205,548	65,111
		08-4700-5740	<u>-</u>	<u>183,138</u>
Pass-Through Indiana Department of Workforce Development Vocational Education - Basic Grants		Moving Forward #CPS-6-41	<u>-</u>	<u>44,036</u>
Total for program			<u>293,481</u>	<u>292,285</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
		05-155	57,075	3,024
		06-5740	<u>2,870</u>	<u>45,550</u>
Total for program			<u>59,945</u>	<u>48,574</u>
Education for Homeless Children and Youth	84.196			
		FY 07-08	4,500	45,000
		FY 08-09	<u>-</u>	<u>40,500</u>
Total for program			<u>4,500</u>	<u>85,500</u>

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

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2007 and 2008  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Tech-Prep Education	84.243			
		TP-6-41	5,007	14,993
		BIO-6-41	5,358	50,817
		PLTW	-	7,497
Total for program			<u>10,365</u>	<u>73,307</u>
Twenty-First Century Community Learning Centers	84.287			
		SY 07-08	291,064	61,190
		SY08-09	-	385,779
Total for program			<u>291,064</u>	<u>446,969</u>
State Grants for Innovative Programs	84.298			
		04-252	68,355	-
		05-115	50,618	66,226
		06-5740	-	28,562
Total for program			<u>118,973</u>	<u>94,788</u>
Education Technology State Grants	84.318			
		SY 04-05	42,074	329
		SY 05-06	135,643	51,245
		SY 06-07	1,864	31,745
Total for program			<u>179,581</u>	<u>83,319</u>
Comprehensive School Reform - Demonstration	84.332			
		SY 04-05 Fairview Elementary	67,525	-
		SY 04-05 Highland Park Elementary	68,216	-
		SY 05-06 Highland Park Elementary	89,935	-
		SY 05-06 Fairview Elementary	44,024	-
		SY 06-07 Highland Park Elementary	125,546	27,305
		SY 06-07 Fairview Elementary	79,411	51,216
		SY 07-08 Fairview and Highland Park	-	80,000
Total for program			<u>474,657</u>	<u>158,521</u>
English Language Acquisition Grants	84.365			
		SY 05-06	-	18,133
		SY 06-07	68,216	35,919
		SY 07-08	-	39,048
Total for program			<u>68,216</u>	<u>93,100</u>
Mathematics and Science Partnerships	84.366			
		FY 05-06	27,532	-
		FY 06-07	56,361	41,620
		FY 07-08	-	39,272
Total for program			<u>83,893</u>	<u>80,892</u>
Improving Teacher Quality State Grants	84.367			
		04-214	373,521	-
		05-218	301,413	216,215
		06-5740	-	284,862
Total for program			<u>674,934</u>	<u>501,077</u>
Total for federal grantor agency			<u>6,712,670</u>	<u>6,841,377</u>
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004			
		Learn and Serve Clear Creek	2,120	365
Total for federal grantor agency			<u>2,120</u>	<u>365</u>
Total federal awards expended			<u>\$ 8,499,276</u>	<u>\$ 8,848,575</u>

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

MONROE COUNTY 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 Monroe County 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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2007 and 2008:

Program Title	Federal CFDA Number	2007	2008
Education for Homeless Children and Youth	84.196	\$ 4,500	\$ 85,500
Mathematics and Science Partnerships	84.366	83,893	80,892
Twenty-First Century Community Learning Centers Program	84.287	63,786	69,989

III. Noncash Assistance

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

Program Title	Federal CFDA Number	2007	2008
Child Nutrition Cluster:			
Food Commodities:			
National School Lunch Program	10.555	<u>\$ 164,218</u>	<u>\$ 145,777</u>

MONROE COUNTY 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?	yes
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? No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster
84.048	Title I Grants to Local Educational Agencies Vocational Education - Basic Grants
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs: \$520,436

Auditee qualified as low-risk auditee? No

Section II – Financial Statement Finding

FINDING NUMBER 2008-1, INTERNAL CONTROL OVER FINANCIAL REPORTING

INTERNAL CONTROLS

The School Corporation has not implemented internal controls to monitor the receipting, disbursing, recording and accounting of financial activities. We determined that financial records were not reconciled monthly to the funds ledger in a timely manner. Form 9 financials are filed with the Indiana Department of Education prior to reconcilements being performed. Prior audit posting errors to the reconciliation have not been corrected.

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

The School Corporation also has a lack of segregation of duties; one employee receives cash, makes out deposits, posts the receipt and reconciles the funds to the ledger.

As a result of not performing timely reconciliements, the School Corporation could experience a failure to find and correct posting errors in a timely manner.

Lack of segregation of duties could result in fraud or material misstatements of the financial statements.

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)

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 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 for Indiana Public School Corporation, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-2, REPORTING

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

School Corporation officials filed five of the eight quarterly reports after the due date. In review of the quarterly reports two of the eight reports filed reported a cash balance that did not agree with the financial ledger balance.

EDGAR 80.20(b) states in part: "The financial management systems of other grantees and sub-grantees must meet the following standards:

- (1) Financial reporting. 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 comply with federal program requirements and the requirements of the Indiana Department of Education could cause School Corporation officials to jeopardize approval of future funding under federal assistance programs.

We recommended that School Corporation officials design and implement internal control procedures that will ensure the timely filing of accurate reports.

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

FINDING 2008-3, ALLOWABLE COSTS

Federal Agency: U.S. Department of Education  
Federal Program: Twenty-First Century Community Learning Centers Program  
CFDA Number: 84.287  
Pass-Through Entity: Indiana Department of Education

School Officials used grant money to purchase \$200 (four \$50) gift certificates from Borders Book Store. The cards were given to school personnel as an incentive award. There was also a payment made to Wonder Lab for \$1,525 for reimbursement for gift certificates for staff recognition.

Review of the compliance supplement and the approved budget did not allow for expenditures for gift certificates.

The effect of purchasing gift certificates for employees means that the grant may not have been used for the purpose intended, and could jeopardize the School's ability to obtain future federal awards.

We recommended that School officials develop sufficient internal controls to ensure that costs charged to federal grants are appropriate and properly documented.

FINDING 2008-4, SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Education  
Federal Program: Twenty-First Century Community Learning Centers Program  
CFDA Number: 84.287  
Pass-Through Entity: Indiana Department of Education

School Corporation officials did not obtain signed contracts with City of Bloomington Parks Department, WonderLab, and Big Brothers Big Sisters as subrecipients of this grant. They also did not require quarterly reports to be filed by Indiana University, City of Bloomington Parks Department, WonderLab and Big Brothers Big Sisters. The School Corporation officials did not monitor the payments to the subrecipients to see they were spent on allowable cost and if there were any unspent funds to be returned at the end of the grant period. Therefore, they did not monitor the activities of the subrecipients to provide reasonable assurance that officials have administered the grant in accordance with federal requirements.

The federal Office of Management and Budget's Circular A-133 "Audits of States, Local Governments, and Non-profit Organizations", Subpart D, Section 400(d) states in part:

"A pass-through entity shall perform the following for the Federal awards it makes:

- (1) Identify federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year . . . and name of Federal agency.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations and the provisions of contract or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

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

- (4) Ensure that subrecipients expending \$300,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records."

Without proper monitoring, School Corporation officials cannot ensure that their subrecipient is complying with federal requirements and are using funds appropriately. This condition could jeopardize future federal funding to the School.

We recommended that School Corporation officials obtain contracts and quarterly reports from the subrecipients to ensure that the terms and conditions are consistent with federal requirements concerning subrecipient monitoring. We also recommended that School Corporation officials establish adequate policies and procedures to conform with these requirements.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No items were reportable.



# Monroe County Community School Corporation

315 North Drive, Bloomington, IN 47401 – 812-330-7700 \* FAX 812-330-7813 www.mccsc.edu

## MONROE COUNTY COMMUNITY SCHOOL CORPORATION CORRECTIVE ACTION PLAN

### **FINDING 2008-1, INTERNAL CONTROL OVER FINANCIAL REPORTING**

In order to address the issue regarding insufficient segregation of duties we will implement a plan whereby the Bookkeeper for the Extra Curricular Activity Fund will reconcile the statement for school corporation funds and the Bookkeeper for School Board Funds will reconcile the statement for the Extra Curricular Activity Funds.

Bank statements have been reconciled to the cash book through December 31, 2008. We will have the bank statement reconciled to the cash book through May 31, 2009 by June 30, 2009 and will have statements reconciled by the 30<sup>th</sup> day of the following month from that point forward. The cash book has been reconciled to the ledger through April 30, 2009. However, those statements have not currently been reconciled to the bank so it is possible adjustments may need to be made after those reconciliations are completed.

We have developed a spreadsheet in the cash book format that will immediately recalculate the cash book balance after each entry is made. That will enable us to reconcile the cash book to the ledger after each computer run to ensure the cash book and the ledger agree. Problems will be readily detected and corrected at the time they occur.

Outstanding checks that are more than 2 years old will be written off at the end of each year as will bad checks for which there is no hope of recovery. This will make the bank reconciliation process less time consuming. Ledger adjustments that are required as a result of the reconciliation process will be posted monthly. This will eliminate the need to carry adjustments forward from one month to the next on the bank reconciliation and will facilitate monthly reconciliations. Either the Comptroller or the Assistant Comptroller will sign off on the reconciliation each month.



## **Monroe County Community School Corporation**

315 North Drive, Bloomington, IN 47401-6555 – 812-349-4790 \* FAX 812-330-7813, tthrashe@mccsc.edu

May 21, 2009

### **MONROE COUNTY COMMUNITY SCHOOL CORPORATION CORRECTIVE ACTION PLAN**

#### **Section III – Federal Award Findings and Questioned Costs**

##### **FINDING 2008-2 REPORTING**

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

The Federal Projects Clerk will be advised of the audit exception and will prepare a calendar of due dates for financial reports for all grants requiring quarterly reports. The Comptroller and Federal Projects Clerk will review the calendar together at the end of each quarter to ensure the reports are filed timely. If adjustments to the Federal Project Clerk's work load are necessary in order for the reports to be filed timely tasks with lower priority will be shifted to other staff members or deferred until after the grant reports are filed.

##### **FINDING 2008-3 ALLOWABLE COSTS**

Federal Agency: U.S. Department of Education  
Federal Program: Twenty-First Century Community Learning Centers Program  
CFDA Number: 84.287  
Pass-Through Entity: Indiana Department of Education

The grant administrator for the grant in question and the purchasing department will be advised of the audit exception. The Business Office will remind all grant administrators of their responsibility to ensure expenditure requests they originate comply with the terms of their grants. The purchasing department has made it a practice to watch for items of this nature in the past and has frequently notified administrators of unauthorized purchase requests. That department will continue to monitor purchase requisitions for purchases that are questionable in nature.

**FINDING 2008-4 SUBRECIPIENT MONITORING**

Federal Agency: U.S. Department of Education  
Federal Program: Twenty-First Century Community Learning Centers Program  
CFDA Number: 84.287  
Pass-Through Entity: Indiana Department of Education

The grant administrator for the grant in question will be advised of the audit exception and the need to be familiar with the terms of the grant and advise subrecipients of their responsibilities to execute contracts and report to the MCCSC in accordance with the terms of the grant and Circular A-133. The Federal Projects Clerk will be advised of the audit exception and the need to ensure contracts are executed by all subrecipients. The Federal Projects Clerk will establish to ensure contracts are executed by all subrecipients. The Federal Projects Clerks will establish and maintain a calendar of reporting timelines for subrecipients, will indicate on the calendar when reports received and will contact subrecipients if reports are not filed timely. The calendar will be reviewed quarterly by the Comptroller or the Assistant Comptroller.

Sincerely,



Timothy Thrasher  
Comptroller  
May 21, 2009

MONROE COUNTY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on May 21, 2009, with Timothy Thrasher, Treasurer; Dr. Timothy F. Hyland, Superintendent of Schools; Jeannine Butler, President of the School Board; Valerie Merriam, Vice President of the School Board. The official response has been made a part of this report and may be found on page 76.



## Monroe County Community School Corporation

315 North Drive, Bloomington, IN 47401 - 812-330-7700 \* FAX 812-330-7813 [www.mccsc.edu](http://www.mccsc.edu)

May 27, 2009

State Board of Accounts  
302 Washington St., Room E418  
Indianapolis, Indiana 46204-2765  
ATTN: Bruce A. Hartman, State Examiner

Dear Mr. Hartman,

The Monroe County Community School Corporation is providing the following information to be included in the Audit Report for the period ending June 30, 2008:

The Monroe County Community School Corporation is addressing the issues identified in the audit report and plans to comply with the recommendations contained in the report beginning immediately.

Responsible staff members have been advised of the audit exceptions associated with their areas of responsibility. They have been directed to comply with the recommendations contained in the audit report. The only area in which we anticipate problems with compliance is with respect to overdrawn cash balances in school corporation funds. Some grants operate on a reimbursement basis. Expenditures must be made and reimbursement requested from the grantor agency. Late tax settlements have been a consistent problem in recent years. When there is sufficient cash in some tax supported funds to permit transfers to funds that are overdrawn, such transfers will be made.

We appreciate the professionalism shown by our Field Examiner and take her recommendations seriously.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy Thrasher", is written over a horizontal line.

Timothy Thrasher  
Comptroller