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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

MEDORA COMMUNITY SCHOOL CORPORATION

JACKSON COUNTY, INDIANA

July 1, 2009 to June 30, 2011

FILED

04/19/2012

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OFFICIALS

Office	Official	Term
Treasurer	Vicki Dean	01-01-09 to 12-31-12
Superintendent of Schools	Dr. John M. Reed	07-01-09 to 06-15-11
	(Vacant)	06-16-11 to 08-14-11
	Tom Judd	08-15-11 to 06-30-12
President of the School Board	Darrell Persinger	01-01-09 to 12-31-12

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statement of the Medora Community School Corporation (School Corporation), for the period of July 1, 2009 to June 30, 2011. The School Corporation's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

February 28, 2012

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

MEDORA COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	$ 104,342	$ 1,934,812	$ 1,697,666	$ (36,861)	$ 304,627	$ 1,981,307	$ 1,884,248	$ (51,600)	$ 350,086
Debt Service	28,722	542,548	474,200	-	97,070	273,126	332,000	-	38,196
Retirement/Severance Bond Debt Service	2,465	62,004	51,984	-	12,485	30,591	34,455	-	8,621
Capital Projects	86,199	253,684	173,109	-	166,774	187,916	180,617	(6,874)	167,199
School Transportation	42,703	203,676	225,673	-	20,706	90,532	97,944	15,918	29,212
School Bus Replacement	40,823	96,637	105,741	-	31,719	78,307	-	-	110,026
Special Education Preschool	8,014	1,548	7,886	(1,676)	-	-	-	-	-
Rainy Day	70,000	-	-	1,588	71,588	-	40,000	-	31,588
Retirement/Severance Bond	16,323	-	-	-	16,323	-	-	-	16,323
School Lunch	84,032	95,654	87,643	(4,498)	87,545	126,673	135,301	(1,704)	77,213
Textbook Rental	(18,328)	13,261	30,384	130	(35,321)	18,057	23,532	315	(40,481)
Levy Excess	-	-	-	-	-	2,740	-	-	2,740
Educational License Plates	1,350	38	210	-	1,178	37	143	(900)	172
Red Ribbon Week	-	-	-	-	-	401	215	-	186
Cinergy Grant	3,000	-	-	-	3,000	-	2,080	(920)	-
Jean Ann Behney Grant	6	500	594	-	(88)	900	567	-	245
Indiana Next	(1)	-	-	-	(1)	-	-	-	(1)
Workforce Partnership	593	404	-	-	997	503	-	(997)	503
At Risk	(1,041)	34,061	42,787	4,498	(5,269)	1	33,338	(4,275)	(42,881)
Drug Free Communities	(6,029)	-	-	-	(6,029)	-	-	-	(6,029)
Performance Based Awards	26	-	-	-	26	-	-	-	26
Graduation Rate Incentive	-	-	-	-	-	10,000	-	-	10,000
21st Century Scholars	4,049	-	-	-	4,049	-	-	-	4,049
Project Lead the Way 2010/11	-	-	-	-	-	-	2,087	2,087	-
Jump Start Kindergarten	-	490	-	-	490	-	-	-	490
Project Lead the Way 2009/10	-	44,664	47,497	-	(2,833)	16,647	18,981	2,981	(2,186)
Top Hat Grant	24,645	-	10,493	-	14,152	-	11,319	-	2,833
Gifted & Talented	(4,785)	26,237	2,046	-	19,406	-	19,890	-	(484)
Gifted/Talented 98-99	47,148	-	10,658	-	36,490	25,843	26,928	-	35,405
Gifted & Talented 2002-2003	(21,446)	-	4,098	-	(25,544)	-	3,368	-	(28,912)

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

MEDORA COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Electricity Grant	193	-	-	-	193	-	-	(193)	-
INSAI	(1,526)	-	3,240	-	(4,766)	-	-	4,766	-
East Asian Grant	164	-	-	-	164	-	-	(164)	-
Community Foundation - Cell	(456)	-	-	-	(456)	-	-	456	-
Community Foundation - Spanish	(88)	-	782	-	(870)	-	-	870	-
Community Foundation - Secondary	(3,477)	8,190	4,000	-	713	6,500	6,500	(713)	-
Title I	-	-	-	-	-	31,966	56,261	-	(24,295)
Title I FY98	(5,577)	-	6,638	(1,597)	(13,812)	-	7,471	-	(21,283)
Title I FY99	10,875	63,303	81,936	1,597	(6,161)	21,715	11,661	16,123	20,016
Title V Part A - 05	(9,695)	-	15,052	-	(24,747)	-	14,018	-	(38,765)
Title V Part A	482	188	-	-	670	-	-	-	670
Stewart Homeless Assistance Act	10,000	-	10,000	-	-	-	13,427	-	(13,427)
Drug Free Schools	(76)	-	-	-	(76)	-	956	2,840	1,808
Title IV, Part A FY 06 Drug Free	(682)	1,233	-	-	551	-	-	(551)	-
Drug Free Schools FY 07	682	969	-	-	1,651	-	-	(1,651)	-
Drug Free Schools FY 1998	(595)	-	-	-	(595)	-	-	595	-
Drug Free Schools FY 1999	1,486	2,285	497	2,500	5,774	446	7,210	(1,233)	(2,223)
Title II	158	-	-	-	158	-	-	-	158
21st Century Learning Grant	(49)	-	-	-	(49)	-	-	-	(49)
Tech Prep	(875)	-	-	-	(875)	-	-	-	(875)
Title II, Part D	13,600	3,400	-	(2,500)	14,500	742	-	-	15,242
Fiscal Stabilization - Education	169,083	55,712	267,004	41,215	(994)	-	24,324	14,507	(10,811)
Title I - Grants to LEAs	-	25,487	24,192	(4,075)	(2,780)	6,778	18,504	11,901	(2,605)
Special Education - Part B	-	34,710	20,724	-	13,986	4,205	25,001	(1,231)	(8,041)
Special Education - Part B - Preschool	-	1,287	165	-	1,122	-	3,308	-	(2,186)
School Lunch Equipment	(863)	-	-	-	(863)	-	-	-	(863)
Education Jobs	-	-	-	-	-	2,724	7,881	-	(5,157)
Kasting Scholarship	22,380	9,036	17,400	-	14,016	19,833	7,800	-	26,049
Totals	$ 717,954	$ 3,516,018	$ 3,424,299	$ 321	$ 809,994	$ 2,938,490	$ 3,051,335	$ 353	$ 697,502

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

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be 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; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan

Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://mustang.doe.state.in.us/TRENDS/fin.cfm. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	$ 104,342	$ 28,722	$ 2,465	$ 86,199	$ 42,703	$ 40,823	$ 8,014	$ 70,000	$ 16,323	$ 84,032
Receipts:										
Local sources	28,044	401,548	45,004	253,684	143,676	67,126	173	-	-	25,440
Intermediate sources	320	-	-	-	-	-	-	-	-	-
State sources	1,906,448	-	-	-	-	-	-	-	-	684
Federal sources	-	-	-	-	-	-	1,375	-	-	69,530
Temporary loans	-	141,000	17,000	-	60,000	29,511	-	-	-	-
Total receipts	1,934,812	542,548	62,004	253,684	203,676	96,637	1,548	-	-	95,654
Disbursements:										
Current:										
Instruction	878,279	-	-	-	-	-	7,886	-	-	-
Support services	778,787	-	-	140,284	104,641	76,230	-	-	-	2,536
Noninstructional services	-	-	-	-	-	-	-	-	-	85,107
Facilities acquisition and construction	-	-	-	32,825	-	-	-	-	-	-
Debt services	-	474,200	51,984	-	121,032	29,511	-	-	-	-
Nonprogrammed charges	40,600	-	-	-	-	-	-	-	-	-
Total disbursements	1,697,666	474,200	51,984	173,109	225,673	105,741	7,886	-	-	87,643
Excess (deficiency) of receipts over disbursements	237,146	68,348	10,020	80,575	(21,997)	(9,104)	(6,338)	-	-	8,011
Other financing sources (uses):										
Sale of capital assets	192	-	-	-	-	-	-	-	-	-
Transfers in	5,750	-	-	-	-	-	-	1,588	-	-
Transfers out	(42,803)	-	-	-	-	-	(1,676)	-	-	(4,498)
Total other financing sources (uses)	(36,861)	-	-	-	-	-	(1,676)	1,588	-	(4,498)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	200,285	68,348	10,020	80,575	(21,997)	(9,104)	(8,014)	1,588	-	3,513
Cash and investments - ending	$ 304,627	$ 97,070	$ 12,485	$ 166,774	$ 20,706	$ 31,719	$ -	$ 71,588	$ 16,323	$ 87,545

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Red Ribbon Week	Cinergy Grant	Jean Ann Behney Grant	Indiana Next	Workforce Partnership	At Risk	Drug Free Communities
Cash and investments - beginning	$ (18,328)	$ -	$ 1,350	$ -	$ 3,000	$ 6	$ (1)	$ 593	$ (1,041)	$ (6,029)
Receipts:										
Local sources	4,624	-	-	-	-	500	-	-	-	-
Intermediate sources	-	-	38	-	-	-	-	404	-	-
State sources	8,637	-	-	-	-	-	-	-	34,061	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	13,261	-	38	-	-	500	-	404	34,061	-
Disbursements:										
Current:										
Instruction	-	-	210	-	-	594	-	-	39,746	-
Support services	30,384	-	-	-	-	-	-	-	3,041	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	30,384	-	210	-	-	594	-	-	42,787	-
Excess (deficiency) of receipts over disbursements	(17,123)	-	(172)	-	-	(94)	-	404	(8,726)	-
Other financing sources (uses):										
Sale of capital assets	130	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	4,498	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	130	-	-	-	-	-	-	-	4,498	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,993)	-	(172)	-	-	(94)	-	404	(4,228)	-
Cash and investments - ending	$ (35,321)	$ -	$ 1,178	$ -	$ 3,000	$ (88)	$ (1)	$ 997	$ (5,269)	$ (6,029)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Performance Based Awards	Graduation Rate Incentive	21st Century Scholars	Project Lead the Way 2010/11	Jump Start Kindergarten	Project Lead the Way 2009/10	Top Hat Grant	Gifted & Talented	Gifted/Talented 98-99	Gifted & Talented 2002-2003
Cash and investments - beginning	$ 26	$ -	$ 4,049	$ -	$ -	$ -	$ 24,645	$ (4,785)	$ 47,148	$ (21,446)
Receipts:										
Local sources	-	-	-	-	490	44,664	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	26,237	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	490	44,664	-	26,237	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	47,497	10,173	2,046	10,658	4,098
Support services	-	-	-	-	-	-	320	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	47,497	10,493	2,046	10,658	4,098
Excess (deficiency) of receipts over disbursements	-	-	-	-	490	(2,833)	(10,493)	24,191	(10,658)	(4,098)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	490	(2,833)	(10,493)	24,191	(10,658)	(4,098)
Cash and investments - ending	$ 26	$ -	$ 4,049	$ -	$ 490	$ (2,833)	$ 14,152	$ 19,406	$ 36,490	$ (25,544)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Electricity Grant	INSAI	East Asian Grant	Community Foundation - Cell	Community Foundation - Spanish	Community Foundation - Secondary	Title I	Title I FY98	Title I FY99	Title V Part A - 05
Cash and investments - beginning	$ 193	$ (1,526)	$ 164	$ (456)	$ (88)	$ (3,477)	$ -	$ (5,577)	$ 10,875	$ (9,695)
Receipts:										
Local sources	-	-	-	-	-	8,190	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	63,303	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	8,190	-	-	63,303	-
Disbursements:										
Current:										
Instruction	-	3,240	-	-	782	4,000	-	5,527	76,985	13,982
Support services	-	-	-	-	-	-	-	1,111	4,951	1,070
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,240	-	-	782	4,000	-	6,638	81,936	15,052
Excess (deficiency) of receipts over disbursements	-	(3,240)	-	-	(782)	4,190	-	(6,638)	(18,633)	(15,052)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	1,597	-
Transfers out	-	-	-	-	-	-	-	(1,597)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(1,597)	1,597	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,240)	-	-	(782)	4,190	-	(8,235)	(17,036)	(15,052)
Cash and investments - ending	$ 193	$ (4,766)	$ 164	$ (456)	$ (870)	$ 713	$ -	$ (13,812)	$ (6,161)	$ (24,747)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Title V Part A	Stewart Homeless Assistance Act	Drug Free Schools	Title IV, Part A FY 06 Drug Free	Drug Free Schools FY 07	Drug Free Schools FY 1998	Drug Free Schools FY 1999	Title II	21st Century Learning Grant	Tech Prep
Cash and investments - beginning	$ 482	$ 10,000	$ (76)	$ (682)	$ 682	$ (595)	$ 1,486	$ 158	$ (49)	$ (875)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	188	-	-	1,233	969	-	2,285	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	188	-	-	1,233	969	-	2,285	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	10,000	-	-	-	-	497	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,000	-	-	-	-	497	-	-	-
Excess (deficiency) of receipts over disbursements	188	(10,000)	-	1,233	969	-	1,788	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	2,500	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	2,500	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	188	(10,000)	-	1,233	969	-	4,288	-	-	-
Cash and investments - ending	$ 670	$ -	$ (76)	$ 551	$ 1,651	$ (595)	$ 5,774	$ 158	$ (49)	$ (875)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2010
(Continued)

	Title II, Part D	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	School Lunch Equipment	Education Jobs	Kasting Scholarship	Totals
Cash and investments - beginning	$ 13,600	$ 169,083	$ -	$ -	$ -	$ (863)	$ -	$ 22,380	$ 717,954
Receipts:									
Local sources	-	-	-	-	-	-	-	9,036	1,032,199
Intermediate sources	-	-	-	-	-	-	-	-	762
State sources	-	-	-	-	-	-	-	-	1,976,067
Federal sources	3,400	55,712	25,487	34,710	1,287	-	-	-	259,479
Temporary loans	-	-	-	-	-	-	-	-	247,511
Total receipts	3,400	55,712	25,487	34,710	1,287	-	-	9,036	3,516,018
Disbursements:									
Current:									
Instruction	-	184,197	140	20,724	165	-	-	-	1,310,929
Support services	-	82,807	24,052	-	-	-	-	-	1,260,711
Noninstructional services	-	-	-	-	-	-	-	-	85,107
Facilities acquisition and construction	-	-	-	-	-	-	-	-	32,825
Debt services	-	-	-	-	-	-	-	-	676,727
Nonprogrammed charges	-	-	-	-	-	-	-	17,400	58,000
Total disbursements	-	267,004	24,192	20,724	165	-	-	17,400	3,424,299
Excess (deficiency) of receipts over disbursements	3,400	(211,292)	1,295	13,986	1,122	-	-	(8,364)	91,719
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	322
Transfers in	-	41,215	-	-	-	-	-	-	57,148
Transfers out	(2,500)	-	(4,075)	-	-	-	-	-	(57,149)
Total other financing sources (uses)	(2,500)	41,215	(4,075)	-	-	-	-	-	321
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	900	(170,077)	(2,780)	13,986	1,122	-	-	(8,364)	92,040
Cash and investments - ending	$ 14,500	$ (994)	$ (2,780)	$ 13,986	$ 1,122	$ (863)	$ -	$ 14,016	$ 809,994

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	$ 304,627	$ 97,070	$ 12,485	$ 166,774	$ 20,706	$ 31,719	$ -	$ 71,588	$ 16,323	$ 87,545
Receipts:										
Local sources	34,020	273,126	30,591	187,916	90,532	78,307	-	-	-	22,502
Intermediate sources	24	-	-	-	-	-	-	-	-	-
State sources	1,915,991	-	-	-	-	-	-	-	-	606
Federal sources	31,272	-	-	-	-	-	-	-	-	103,565
Total receipts	1,981,307	273,126	30,591	187,916	90,532	78,307	-	-	-	126,673
Disbursements:										
Current:										
Instruction	1,038,857	-	-	-	-	-	-	40,000	-	-
Support services	801,726	-	-	141,215	97,944	-	-	-	-	3,735
Noninstructional services	-	-	-	-	-	-	-	-	-	131,566
Facilities acquisition and construction	-	-	-	39,402	-	-	-	-	-	-
Debt services	-	332,000	34,455	-	-	-	-	-	-	-
Nonprogrammed charges	43,665	-	-	-	-	-	-	-	-	-
Total disbursements	1,884,248	332,000	34,455	180,617	97,944	-	-	40,000	-	135,301
Excess (deficiency) of receipts over disbursements	97,059	(58,874)	(3,864)	7,299	(7,412)	78,307	-	(40,000)	-	(8,628)
Other financing sources (uses):										
Sale of capital assets	40	-	-	-	-	-	-	-	-	-
Transfers in	13,634	-	-	-	15,918	-	-	-	-	-
Transfers out	(65,274)	-	-	(6,874)	-	-	-	-	-	(1,704)
Total other financing sources (uses)	(51,600)	-	-	(6,874)	15,918	-	-	-	-	(1,704)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	45,459	(58,874)	(3,864)	425	8,506	78,307	-	(40,000)	-	(10,332)
Cash and investments - ending	$ 350,086	$ 38,196	$ 8,621	$ 167,199	$ 29,212	$ 110,026	$ -	$ 31,588	$ 16,323	$ 77,213

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Red Ribbon Week	Cinergy Grant	Jean Ann Behney Grant	Indiana Next	Workforce Partnership	At Risk	Drug Free Communities
Cash and investments - beginning	$ (35,321)	$ -	$ 1,178	$ -	$ 3,000	$ (88)	$ (1)	$ 997	$ (5,269)	$ (6,029)
Receipts:										
Local sources	8,723	-	-	401	-	900	-	-	-	-
Intermediate sources	-	-	37	-	-	-	-	503	-	-
State sources	9,334	2,740	-	-	-	-	-	-	1	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	18,057	2,740	37	401	-	900	-	503	1	-
Disbursements:										
Current:										
Instruction	-	-	143	215	-	567	-	-	31,551	-
Support services	23,532	-	-	-	2,080	-	-	-	1,787	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	23,532	-	143	215	2,080	567	-	-	33,338	-
Excess (deficiency) of receipts over disbursements	(5,475)	2,740	(106)	186	(2,080)	333	-	503	(33,337)	-
Other financing sources (uses):										
Sale of capital assets	315	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(900)	-	(920)	-	-	(997)	(4,275)	-
Total other financing sources (uses)	315	-	(900)	-	(920)	-	-	(997)	(4,275)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,160)	2,740	(1,006)	186	(3,000)	333	-	(494)	(37,612)	-
Cash and investments - ending	$ (40,481)	$ 2,740	$ 172	$ 186	$ -	$ 245	$ (1)	$ 503	$ (42,881)	$ (6,029)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Performance Based Awards	Graduation Rate Incentive	21st Century Scholars	Project Lead the Way 2011/10	Jump Start Kindergarten	Project Lead the Way 2009/10	Top Hat Grant	Gifted & Talented	Gifted/Talented 98-99	Gifted & Talented 2002-2003
Cash and investments - beginning	$ 26	$ -	$ 4,049	$ -	$ 490	$ (2,833)	$ 14,152	$ 19,406	$ 36,490	$ (25,544)
Receipts:										
Local sources	-	-	-	-	-	16,647	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	10,000	-	-	-	-	-	-	25,843	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	-	10,000	-	-	-	16,647	-	-	25,843	-
Disbursements:										
Current:										
Instruction	-	-	-	2,087	-	18,981	10,829	19,890	26,928	3,368
Support services	-	-	-	-	-	-	490	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,087	-	18,981	11,319	19,890	26,928	3,368
Excess (deficiency) of receipts over disbursements	-	10,000	-	(2,087)	-	(2,334)	(11,319)	(19,890)	(1,085)	(3,368)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	2,087	-	5,068	-	-	-	-
Transfers out	-	-	-	-	-	(2,087)	-	-	-	-
Total other financing sources (uses)	-	-	-	2,087	-	2,981	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,000	-	-	-	647	(11,319)	(19,890)	(1,085)	(3,368)
Cash and investments - ending	$ 26	$ 10,000	$ 4,049	$ -	$ 490	$ (2,186)	$ 2,833	$ (484)	$ 35,405	$ (28,912)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Electricity Grant	INSAI	East Asian Grant	Community Foundation - Cell	Community Foundation - Spanish	Community Foundation - Secondary	Title I	Title I FY98	Title I FY99	Title V Part A - 05
Cash and investments - beginning	$ 193	$ (4,766)	$ 164	$ (456)	$ (870)	$ 713	$ -	$ (13,812)	$ (6,161)	$ (24,747)
Receipts:										
Local sources	-	-	-	-	-	6,500	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	31,966	-	21,715	-
Total receipts	-	-	-	-	-	6,500	31,966	-	21,715	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	6,500	56,261	5,064	9,164	13,029
Support services	-	-	-	-	-	-	-	2,407	2,497	989
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	6,500	56,261	7,471	11,661	14,018
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	(24,295)	(7,471)	10,054	(14,018)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	4,766	-	456	870	-	-	-	16,123	-
Transfers out	(193)	-	(164)	-	-	(713)	-	-	-	-
Total other financing sources (uses)	(193)	4,766	(164)	456	870	(713)	-	-	16,123	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(193)	4,766	(164)	456	870	(713)	(24,295)	(7,471)	26,177	(14,018)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ (24,295)	$ (21,283)	$ 20,016	$ (38,765)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Title V Part A	Stewart Homeless Assistance Act	Drug Free Schools	Title IV, Part A FY 06 Drug Free	Drug Free Schools FY 07	Drug Free Schools FY 1998	Drug Free Schools FY 1999	Title II	21st Century Learning Grant	Tech Prep
Cash and investments - beginning	$ 670	$ -	$ (76)	$ 551	$ 1,651	$ (595)	$ 5,774	$ 158	$ (49)	$ (875)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	446	-	-	-
Total receipts	-	-	-	-	-	-	446	-	-	-
Disbursements:										
Current:										
Instruction	-	-	508	-	-	-	-	-	-	-
Support services	-	13,427	448	-	-	-	7,210	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,427	956	-	-	-	7,210	-	-	-
Excess (deficiency) of receipts over disbursements	-	(13,427)	(956)	-	-	-	(6,764)	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	2,840	682	-	595	-	-	-	-
Transfers out	-	-	-	(1,233)	(1,651)	-	(1,233)	-	-	-
Total other financing sources (uses)	-	-	2,840	(551)	(1,651)	595	(1,233)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(13,427)	1,884	(551)	(1,651)	595	(7,997)	-	-	-
Cash and investments - ending	$ 670	$ (13,427)	$ 1,808	$ -	$ -	$ -	$ (2,223)	$ 158	$ (49)	$ (875)

MEDORA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2011
(Continued)

	Title II, Part D	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	School Lunch Equipment	Education Jobs	Kasting Scholarship	Totals
Cash and investments - beginning	$ 14,500	$ (994)	$ (2,780)	$ 13,986	$ 1,122	$ (863)	$ -	$ 14,016	$ 809,994
Receipts:									
Local sources	-	-	-	-	-	-	-	19,833	769,998
Intermediate sources	-	-	-	-	-	-	-	-	564
State sources	-	-	-	-	-	-	-	-	1,964,515
Federal sources	742	-	6,778	4,205	-	-	2,724	-	203,413
Total receipts	742	-	6,778	4,205	-	-	2,724	19,833	2,938,490
Disbursements:									
Current:									
Instruction	-	24,324	5,627	25,001	3,308	-	7,881	-	1,350,083
Support services	-	-	12,877	-	-	-	-	-	1,112,364
Noninstructional services	-	-	-	-	-	-	-	-	131,566
Facilities acquisition and construction	-	-	-	-	-	-	-	-	39,402
Debt services	-	-	-	-	-	-	-	-	366,455
Nonprogrammed charges	-	-	-	-	-	-	-	7,800	51,465
Total disbursements	-	24,324	18,504	25,001	3,308	-	7,881	7,800	3,051,335
Excess (deficiency) of receipts over disbursements	742	(24,324)	(11,726)	(20,796)	(3,308)	-	(5,157)	12,033	(112,845)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	355
Transfers in	-	14,507	11,901	-	-	-	-	-	89,447
Transfers out	-	-	-	(1,231)	-	-	-	-	(89,449)
Total other financing sources (uses)	-	14,507	11,901	(1,231)	-	-	-	-	353
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	742	(9,817)	175	(22,027)	(3,308)	-	(5,157)	12,033	(112,492)
Cash and investments - ending	$ 15,242	$ (10,811)	$ (2,605)	$ (8,041)	$ (2,186)	$ (863)	$ (5,157)	$ 26,049	$ 697,502

MEDORA COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For the year ended June 30, 2011

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.

	Ending Balance
Capital assets, not being depreciated	
Land	$ 41,524
Buildings	5,619,283
Machinery and equipment	375,109
Total capital assets not being depreciated	$ 6,035,916

MEDORA COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital lease:			
2005 Refunding bonds lease/rental	$ 3,240,000	$ 332,000	Debt Service
Notes and loans payable	27,573	15,680	Textbook Rental
Bonds payable:			
General obligation bonds:			
2005 Pension bonds	388,000	33,900	Retirement/Severance Bond Debt Service
Total debt	$ 3,655,573	$ 381,580	

OVERDRAWN FUND BALANCES

The Textbook Rental, At Risk, Drug Free Communities, Project Lead the Way Fund 2009/10, Gifted & Talented 2002-2003, INSAI, Community Foundation - Cell, and the Community Foundation - Spanish Funds were overdrawn in 2010. The Textbook Rental, At Risk, Drug Free Communities, Project Lead the Way 2009/10, Gifted & Talented, Gifted & Talented 2002-2003, Title I FY98, Title V Part A - 05, Fiscal Stabilization – Education, and Education Jobs Funds were overdrawn in 2011.

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

PAYROLL WITHHOLDINGS NOT RECONCILED

Payroll withholding funds were not reconciled to amounts owed as of June 30, 2011, and the funds do not reflect the correct balances as of the current date.

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

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

PENALTIES AND INTEREST

Penalties and interest totaling $7.60 and $392.22, were paid to the Internal Revenue Service on September 30, 2010, and January 31, 2011, for the reporting periods of June 30, 2010, and September 30, 2010, respectively.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

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

MEDORA COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 28, 2012, with Vicki Dean, Treasurer; Tom Judd, Superintendent of Schools; and Darrell Persinger, President of the School Board. The officials concurred with our findings.