

MONROE LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2009



Mary Taylor, CPA

Auditor of State

Board of Education
Monroe Local School District
225 Macready Avenue
Monroe, Ohio 45050

We have reviewed the *Independent Auditors' Report* of the Monroe Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Monroe Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 21, 2010

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TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2 – 3
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	4 – 5
Schedule of Findings and Questioned Costs.....	6 – 8
Schedule of Prior Audit Findings.....	9 - 10

MONROE LOCAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	n/a	10.555	\$ 25,423	25,423
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2009	10.553	32,517	32,517
National School Lunch Program	LLP4-2009	10.555	184,057	184,057
Nutrition Cluster Total			<u>241,997</u>	<u>241,997</u>
Total U.S. Department of Agriculture			<u>241,997</u>	<u>241,997</u>
<u>U.S. Department of Education:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Title I Grants to Local Educational Agencies	C1S1-2008	84.010	7,762	3,598
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	67,153	31,075
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2008	84.010	8,515	8,386
			<u>83,430</u>	<u>43,059</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2008	84.027	74,277	37,870
Special Education - Grants to States	6BSF-2009	84.027	333,985	341,349
Special Education - Preschool Grants	PGS1-2009	84.173	2,563	2,568
Special Education Cluster Total			<u>410,825</u>	<u>381,787</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2008	84.186	6,914	-
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2009	84.186	1,257	8,753
			<u>8,171</u>	<u>8,753</u>
State Grants for Innovative Programs	C2S1-2008	84.298	1,340	-
State Grants for Innovative Programs	C2S1-2009	84.298	1,507	4,318
			<u>2,847</u>	<u>4,318</u>
Education Technology State Grants	TJS1-2008	84.318	120	-
Improving Teacher Quality State Grants	TRS1-2008	84.367	16,010	6,146
Improving Teacher Quality State Grants	TRS1-2009	84.367	37,882	51,538
			<u>53,892</u>	<u>57,684</u>
Title III English Language Acquisition Grant	T3-2009	84.365	9,534	7,930
Total U.S. Department of Education			<u>568,819</u>	<u>503,531</u>
<u>U.S. Department of Homeland Security:</u>				
<i>(Passed through Ohio Department of Public Safety)</i>				
Disaster Assistance	n/a	97.036	2,967	2,967
Total Federal Awards			\$ <u>813,783</u>	<u>748,495</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

To the Board of Education
Monroe Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe Local School District (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 14, 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 District'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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of 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 consider 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency 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.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the School District'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 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 2009-2 and 2009-3.

We noted certain matters that we reported to management of the School District in a separate letter dated December 14, 2009.

The School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.



Cincinnati, Ohio
December 14, 2009

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

To the Board of Education
Monroe Local School District:

Compliance

We have audited the compliance of Monroe Local School District ("School District") 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 year ended June 30, 2009. The School District's major federal programs are identified in the summary of auditors' 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 District's management. Our responsibility is to express an opinion on the School District'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 District'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 on the School District's compliance with those requirements.

In our opinion, the Monroe Local School District, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questions costs as item 2009-4.

Internal Control Over Compliance

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

A control deficiency in the School District'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 School District's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-04 to be a significant deficiency.

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 School District's internal control. We did not consider the deficiency described above to be a material weakness.

The Schools District's response to the finding identified in our audit is described in accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 14, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 14, 2009

MONROE LOCAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2009

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Noncompliance material to the financial statements noted?	yes

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes

Type of auditors’ report issued on compliance for major programs:	unqualified
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Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	yes
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Identification of major programs:

Special Education Cluster:
CFDA 84.027 – Special Education – Grants to States
CFDA 84.173 – Special Education – Preschool Grants

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
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Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

Finding 2009-1 – Audit Adjustments

During the course of our audit, we identified misstatements in the financial statements for the year under audit that were not initially identified by the School District's internal control.

Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. An audit adjustment was necessary to correct errors in the School District's conversion process related to accrued wages payable. Accrued wages payable reported at June 30, 2009 were understated by approximately \$522,000. The School District used a report from its accounting software which contained several errors when calculating its accrued wages payable liability as of year-end.

We proposed audit adjustments were to correct the posting of intergovernmental revenue in the financial statements. Intergovernmental revenues related to a state homestead and rollback receipt were posted to the books as tax revenue. Our adjustment reclassified approximately \$567,000 of revenue from taxes to intergovernmental revenue.

Management Response: *Management concurs with the finding.*

Finding 2009-2 – Expenditures and encumbrances exceeded appropriations

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. During our review of budgetary compliance, we noted funds, including the General Fund, in which expenditures and encumbrances exceeded appropriations. We recommend the School District implement procedures to amend the appropriations prior to incurring additional expenditures to ensure the funds are available and prevent fund deficits.

Management Response: *Management concurs with the finding. The Treasurer will implement procedures to amend appropriations in a more timely fashion.*

Finding 2009-3 – Appropriations Exceeded Estimated Revenue

Ohio Revised Code Section 5705.39 stipulates that total appropriations made during the fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation. During our testing of compliance with budgetary requirements, we noted funds, including the General Fund, which had appropriations in excess of certified estimated resources. We recommend the School District request increased amended certificates from the County Budget Commission as needed whenever the appropriation or supplemental appropriation exceeds the current certificate of estimated resources.

Management Response: *Management concurs with the finding.*

Section III – Federal Award Findings and Questioned Costs

U.S. DEPARTMENT OF EDUCATION

Finding 2009-4 - Special Education Cluster - CFDA No. 84.027 and CFDA No. 84.173

Condition: We performed tests to determine if the School District was properly preparing semi-annual certifications for employees that work solely on a specific federal program to support salaries and wages. The School District could not provide documentation to demonstrate its completion of the semi-annual certifications.

Criteria: OMB Circular A-87, Attachment B states that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages are to be supported by periodic certifications that the employee worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and will be signed by the employee and supervisor or just the supervisor, if they have firsthand knowledge of the information contained in the certification.

Effect: Lack of proper documentation could result in disallowed costs for the School District's federal programs.

Cause: The School District lacked procedures to ensure the proper completion of certifications on a semi-annual basis.

Recommendation: We recommend the School District implement procedures to ensure these semi-annual certificates are prepared and reviewed for completeness prior to being filed to comply with federal regulations.

Management response: *Management concurs with the finding.*

MONROE LOCAL SCHOOL DISTRICT

Schedule of Prior Audit Findings

Year Ended June 30, 2009

Finding 2008-1 – Prior Period Adjustment

In fiscal year 2007 the School District issued a short-term tax anticipation note that was paid off in May 2007. The principal repayment was recorded as a reduction of the bond payable instead of as a payment on the note payable in the General Fund. Thus, notes payable were overstated and bonds payable were understated by \$1,190,000 as of June 30, 2007. A prior period adjustment of \$1,190,000 was made to the General Fund to correct the beginning balance. Prior period adjustments to financial statements are an indicator of deficiencies in internal control over financial reporting.

Status: Corrected.

Finding 2008-2 – Audit Adjustment

During the course of our audit, we identified a material misstatement in the financial statements for the year under audit that was not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct an error in the School District's conversion process. Specifically, an audit adjustment in the amount of \$2,228,759 was necessary to correct the reporting of net assets invested in capital assets, net of related debt, which mistakenly excluded nondepreciable capital assets from the balance calculation.

Status: Audit adjustments noted during the audit. Finding will be re-issued as Finding 2009-1.

Finding 2008-3 – Expenditures and encumbrances exceeded appropriations

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. During our review of budgetary compliance at February 29, 2008 and June 30, 2008, we found various instances where the expenditures and encumbrances exceeded appropriations. We recommend the School District implement procedures to amend the appropriations prior to incurring additional expenditures to ensure the funds are available and prevent fund deficits.

Status: Repeated as Finding 2009-2

Finding 2008-4 – Appropriations Exceeded Estimated Revenue

Ohio Revised Code Section 5705.39 stipulates that total appropriations made during the fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation. During our testing of compliance with budgetary requirements, we noted various funds which had appropriations in excess of certified estimated resources as of February 29, 2008 and June 30, 2008. We recommend the School District request increased amended certificates from the County Budget Commission as needed whenever the appropriation or supplemental appropriation exceeds the current certificate of estimated resources.

Status: *Repeated as Finding 2009-3*

Finding 2008-5 – Negative Cash Fund Balance

Ohio Revised Code Section 5705.10 states in part that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenditures of another fund. The School District had negative cash fund balances in the Early Entry Program, Title VI-B, Title I, Drug Free Grant and Reducing Class Size special revenue funds. These special revenue funds are funded mostly through State and Federal grants on a reimbursement basis. Due to the fact that these grants are on a reimbursement basis, the School District should advance monies as needed to prevent negative fund balances.

Status: *Corrected.*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Monroe Local School District:

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Monroe Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on January 21, 2006.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

(9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

(10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 14, 2009

Comprehensive Annual Financial Report



Monroe Local School District

Monroe, Ohio

For the Fiscal Year Ended June 30, 2009

Monroe Local School District
Butler County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009

Prepared By:
Monroe Local School District's
Treasurer's Office

Introductory Section



*Comprehensive Annual Financial Report
Monroe Local School District
Monroe, Ohio
For the Fiscal Year Ended June 30, 2009*

***Monroe Local School District
Butler County, Ohio
June 30, 2009***

Table of Contents

I.	Introductory Section	<u>Page</u>
	Table of Contents	i
	Letter of Transmittal	v
	Principal Officials	xiii
	Organizational Chart	xiv
	GFOA Certificate of Achievement for Excellence in Financial Reporting	xv
	ASBO Certificate of Excellence in Financial Reporting	xvi
II.	Financial Section	
	Independent Auditors' Report	1
	Management's Discussion and Analysis	3
	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Assets	15
	Statement of Activities	17
	Fund Financial Statements:	
	Balance Sheet - Governmental Funds	18
	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual – General Fund	22
	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual – Emergency Levy Fund	23
	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual – Food Service Fund	24
	Statement of Fiduciary Assets and Liabilities – Fiduciary Fund	25
	Notes to the Basic Financial Statements	27

***Monroe Local School District
Butler County, Ohio***

Table of Contents

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Funds:

Fund Descriptions	61
Combining Balance Sheet – Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	66
Combining Balance Sheet – Nonmajor Special Revenue Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	72

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:

Debt Service	76
Special Trust	77
Public School Support	78
Other Grant	79
District Managed Activities	80
Education Management Information Systems	81
Early Entry Grant	82
OneNet Ohio	83
School Net Professional Development	84
Miscellaneous State Grants	85
Title VI-B Grant	86
Title III Grant	87
Title I Grant	88
Title VI Grant	89
Drug-Free Grant	90
EHA Preschool Grant	91
Improving Teacher Quality Grant	92

***Monroe Local School District
Butler County, Ohio***

Table of Contents

Miscellaneous Federal Grants	93
Permanent Improvement	94
Combining Statement of Changes in Assets and Liabilities – Agency Fund	95
III. Statistical Section	
Descriptions	97
Net Assets by Component – Last Nine Years	99
Changes in Net Assets – Last Nine Years	100
Fund Balances, Governmental Funds – Last Nine Years	102
Changes in Fund Balances, Governmental Funds – Last Nine Years	103
Assessed and Estimated Actual Value of Taxable Property - Last Nine Collection (Calendar) Years	105
Property Tax Rates (Per \$1,000 of Assessed Valuation) - Direct and Overlapping Governments - Last Eight Collection (Calendar) Years	106
Property Tax Levies and Collections – Real and Public Utility Property - Last Eight Collection (Calendar) Years	107
Top Ten Principal Taxpayers – Real and Personal Property – Current Year and Seven Years Ago	108
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita and Personal Income- Last Nine Fiscal Years	109
Computation of Direct and Overlapping Debt	110
Computation of Legal Debt Margin – Last Eight Years	111
Ratios of Outstanding Debt by Type – Last Nine Fiscal Years	112
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Government Expenditures - Last Nine Fiscal Years	113
Demographic Statistics - Last Eight Calendar Years	114
Principal Employers – Current Year and Six Years Ago	115

Monroe Local School District
Butler County, Ohio

Table of Contents

Full Time Equivalent School Employees by Function/Program – Last Eight Years	116
Operating Statistics – Last Nine Fiscal Years	117
School Building Information (1) – Last Eight Fiscal Years	118
School Building Information (2) – Last Nine Fiscal Years	119
Miscellaneous Statistical Data	120

Monroe Local Schools

Continuing a tradition in excellence

Elizabeth J. Lolli, Ph.D., Superintendent

Kelley Thorpe, Treasurer

231 Macready Avenue ♦ Monroe, Ohio 45050 ♦ phone (513) 539-2536 ♦ fax (513) 539-2648

December 14, 2009

Citizens of Monroe
Members of the School Board

We are pleased to submit the Monroe Local School District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

This report is culmination of the efforts of many people. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to set forth fairly the financial position of the District's operations, and that all disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

The Reporting Entity and Services Provided

The District provides a full range of traditional and non-traditional educational programs and services. These services include, but are not limited to, elementary and secondary curriculum offerings at the general, college preparatory and career-technical levels in addition to numerous extracurricular and co-curricular activities. Rounding out these major services are adult and community education offerings, special education programs and community recreation facilities.

This report includes all funds of the District. The funds are used to account for the primary government's assets, liabilities, fund balances and results of operations (or revenues over/under expenses) for those activities.

Growth and Development

Monroe Local Schools encompass the City of Monroe and Lemon Township located in Butler County, just south of Middletown, Ohio. The city of Monroe is located about twenty miles north of Cincinnati and about thirty miles south of Dayton. It is situated between two counties-the northeast corner of Butler County and the western section of Warren County. The city has experienced substantial changes during the past decade. Population has gone from 4,372 in 1990 to 7,133 in 2000. In 1995, the city's population surpassed the 5,000 mark allowing Monroe to achieve city status. Monroe's population is currently estimated at 11,870 people in 2007.

Although once strictly a farming community, the City of Monroe now has a strong industrial base. Currently, the total percentage of land area in Monroe is significantly weighted towards light and heavy industrial acreage (60% industrial and commercial). The one and one-half percent income tax generated \$5,293,163 (budgetary basis) with the majority of that revenue derived from an established industrial workforce base. The City offers excellent access to the flourishing Interstate 75 corridor and holds 2,600 acres of prime green field industrial parcels ready for development with full utilities and road access.

The District and City Council have worked in collaboration on use of the school facilities. The agreement currently allows for use of the library, auditorium, cafeterias and gymnasiums for after-school programs and gives the City a place to use as a recreation and learning center for the community.

DISTRICT FOCUS

History of the District

The City of Monroe has a long history of dedication to education. In 1881, one of Ohio's first public high schools was opened in an unused room at the elementary school located on the site of the current Lemon-Monroe High School. The Lemon Township School District operated until 1954, when it was consolidated with the Middletown City School District and became the Middletown-Monroe City School District.

In September of 1999, the Ohio State Board of Education approved a resolution to create the Monroe Local School District by consolidating territory located within the Middletown City School District and the neighboring Lebanon City School District. After the State Board of Education's action, citizen committees were formed to lay the groundwork for Monroe residents to vote on the new District. More than 200 citizens developed the blueprint under which the District operates today.

On March 7, 2000, voters again gave overwhelming support to the establishment of the new school district with a 76% approval rate for the Monroe Local School District to split from the Middletown City School District. It became official in April of 2000, when the State Board of Education appointed the five-member Monroe Local School District Board of Education followed by the transfer of assets and liabilities in June of that year.

In November 2001, Monroe voters continued to demonstrate their support for the Monroe Local School District by passing a \$29 million bond issue to build a new state of the art K-12 facility on 184 acres. The building construction began in early 2002 and opened in the fall of 2004.

District Mission Statement

The mission of the Monroe Local School District is to provide for excellent educational development of our students in a secure, nurturing environment. We will provide comprehensive, innovative, and challenging learning opportunities that will enable our students to become responsible, contributing members of society. We will provide for the growth and development of all district employees in an effort to contribute both to their personal enrichment, as well as district students. Our curriculum and programs will draw from the multiple strengths of our community, and will find support among a well-informed public.

Board of Education

The operations of the Monroe Local School District are managed by the Board of Education (the Board) which is made up of five citizens who are elected by school District's voters to serve four-year terms. The Board is a body politic and corporate as defined by Ohio Revised Code Section 3313.02, and derives its authority from federal and state law. The Board's major function is to develop operating policies that will best service the needs of the students. In addition, the Board acts as the taxing authority, contracting body, the approver of the annual appropriations resolution and tax budget, as well as insuring that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars. The Board employs the Superintendent to execute policies and provide leadership to the staff. The Board also employs the Treasurer to act as Chief Financial Officer to maintain financial records and invest funds of the District as specified by Ohio law.

<u>Board Members</u>	<u>Term Ends December 31st of</u>
Tom Leeds President	2009
Chris Snyder Vice President	2011
Thomas Birdwell	2009
Michael Irwin	2009
Mike Lane	2011

Enrollment

Enrollment for the Monroe Local School District was 2,307 students for 2008-2009

Monroe Primary School	(Pre-K – Grade 2)	600
Monroe Elementary School	(3-6)	689
Monroe Junior High School	(7-8)	341
Monroe Senior High School	(9-12)	677

According to the Ohio Department of Education, District enrollment is expected to increase over the next five years and succeeding years.

Enrollment Projections K-12 Total (Without Open Enrollment)

2009-10	2,374
2010-11	2,443
2011-12	2,577
2012-13	2,689
2014-15	2,719

District Report Card

On the 2009 report card, Monroe Local School District received an effective rating having met 25 of 30 indicators. The District has improved its rating significantly during the last several years. This rating is given by the Ohio Department of Education based on student's performance on the achievement tests in the 3rd, 4th, 5th, 6th, 7th and 8th grades, the Ohio Graduation Tests in 10th grade, student attendance rate and the graduation rate.

This Ohio system uses four components to determine the District's designation:

State Indicators: A district meets a state indicator by all student groups scoring at or above the proficient level on tests. The two non-test indicators are graduation and attendance rates. Monroe met 25 of 30 indicators.

Performance Index Score: The performance index score reflects the achievement of every tested student. The score is a weighted average of all tested subjects in grades 3, 4, 5, 6, 7, 8, and 10. The most weight is given to the advanced students (1.2), and the weights decrease for each subsequent performance level. This creates a scale of 0 to 120 points, with 100 being the goal. Monroe's performance index score is 98.8.

Adequate Yearly Progress (AYP): The final goal is for all students to reach the proficient level in reading and mathematics by 2013-14. Until then, yearly goals are set requiring a specific percentage of students in 10 student groups, such as African American, Hispanic, and Caucasian students, to reach proficiency in these subjects. For the district to meet AYP, goals for each student group must be met. If any goal is missed, the district does not meet AYP for the year. Monroe did not meet AYP for the 2008/2009 school year.

Value-Added Measure: In 2007-2008, the Ohio Department of Education added a Value-Added Measure to the goals for districts to achieve. This added measure also resulted in a new category being available for districts to be assigned – Excellent with Distinction. The value-added rating demonstrates the progress the district has made with its students since the previous school year. For 2008-2009, Monroe met the expected growth for this indicator.

Major Initiatives

Continuous Improvement Plan

The District's Continuous Improvement Plan was developed in 2001 in response to the rating of "academic watch" that was inherited when the District was created. The focus is placed in the areas of reading, math and attendance. A committee of staff, parents and community members developed the following goals. The complete plan is available on the Ohio Department of Education Web page in the CCIP section. As a result of the focus on academics, the District has seen significant improvements. In five years, Monroe has gone

from meeting 9 of the necessary 27 indicators, at that time, to meeting 25 of the 30 indicators on the state report card, resulting in a report card grading of "Effective".

Monroe's overall goal is to increase student performance on the indicators reported on the Ohio Report Card by focusing on the following Performance Goals:

By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.

By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in mathematics.

All students will be educated in learning environments that are safe, drug free, and conducive to learning.

Curriculum Initiatives

The goal of Monroe Local School District is to keep all curriculums as living documents. Curriculums have been revised as necessary to keep current with state standards, student needs, and emerging technologies. All curriculums have been aligned to state guidelines. The most recent adoptions include Foreign Language curriculum, Business curriculum, Preschool curriculum, and exploration classes in the junior high school.

While Monroe has been improving in all areas of the state report card, mathematics continues to be Monroe's weakest area on student assessment. The district is in the process of vertically aligning the math curriculum and investigating research-based materials and instructional strategies.

Reading continues to be a major focal instructional area as well. The district continues to develop the Title I program to meet the needs of primary students. The district has implemented reading intervention programs in grades 5-8. At the high school level, teachers have begun to develop content area reading strategies. The district has started a district wide ISM team to make better use of the data for the district.

Textbooks have been purchased for Foreign Language, Pre-calculus, Business, Sports Medicine, Mathematics, and AP US History. We will begin reviewing Mathematics textbooks that meet the needs of all students K-12. The high school has gone through a major purchasing of textbooks due to the change to a 7-bell schedule.

Technology

The district is beginning to update the technology course of study. This revision focuses on the integration of technology into the curriculum areas. Purchasing and use of technology hardware and related supporting software enables the integration of technology. In 2008-09, the district formed a technology committee to create a technology plan and a replacement cycle for technology. The committee will also assess the use of technology in the classroom and provide updates to the technology course of study.

Building Project

The Monroe Local Schools broke ground in June of 2002 for a new school facility to house grades K-12. The building was designed through the "School House of Quality Process" with architects Steed•Hammond•Paul. This process enabled the District to gain input on the design from all levels of the

school community. Building design teams allowed school employees to work hand in hand with the community to finalize plans for what is now the cornerstone of Monroe.

The facility was opened in the fall of 2004. The new school has separate wings for the various grade levels with a total of 88 classrooms: 43 elementary; 15 junior high and 30 senior high. The building sits on 187 acres and houses over 1,800 students. This unique school has four gyms: one gym for the elementary students to double for junior high competitions; one for junior high class use; and two gyms for high school classes with bleachers open for competition holding 1,400 spectators. The new facility has two cafeterias, one kitchen, one auditorium with seating for 560 and one library.

FINANCIAL INFORMATION

Accounting Controls

The District's accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Ohio Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Agency Funds and for full accrual basis of accounting for Government-Wide statements. More information about the District's financial position can be attained by reading the management's discussion and analysis.

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Cash Management

The School District Treasurer is in charge of the School District's cash management program. All School District cash is pooled for investment purposes. Longer term investments consist of Certificates of Deposit insured by the Federal Deposit Insurance Corporation or protected by either pledged collateral held in trust by the Federal Reserve Bank or pooled collateral and United States Agency Obligations. During 2009, the School District earned \$6,881 in interest. A majority of the School District's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions hold the collateral. The School District regularly reviews the market value of the pool to insure that adequate collateral is being provided

Significant Accounting Policies

The School District has two funds that operate as the main operating funds for the School District: the general fund and the emergency levy fund. For general budgeting purposes, the School District views these funds as interchangeable. The School District is required to report the funds separately on both budget documents and GAAP reporting. The School District pays for majority of regular instruction from the general fund and the majority of special instruction and pupil transportation from the emergency levy fund. All other costs are split between the funds on an allocated basis.

Independent Audit

Included in this report is Clark, Schaefer and Hackett and Co.'s unqualified opinion rendered on the District's basic financial statements as of and for the year ended June 30, 2009. An independent audit of the District's financial statements is part of the annual preparation of a CAFR. This annual independent audit will continue to review, comment on and thereby strengthen the District's accounting and budgetary control.

Awards

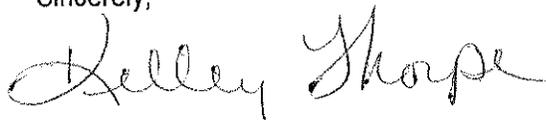
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Monroe Local Schools for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This is the sixth consecutive year the District has received the award. The District also received, for the fifth year, the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) for the fiscal year ended June 30, 2008.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements of both organizations and we have submitted it to GFOA and ASBO for their review for the fiscal year ended June 30, 2009.

Acknowledgments

The preparation of this report in made possible through the dedicated service and efforts of the Treasurer's staff and Fraunfelter Accounting Service. Appreciation is also extended to the District's Board of Education and the Monroe School community for its continuing support.

Sincerely,



Kelley Thorpe, Treasurer



Elizabeth Lolli, Superintendent

**Monroe Local School District
List of Principal Officials**

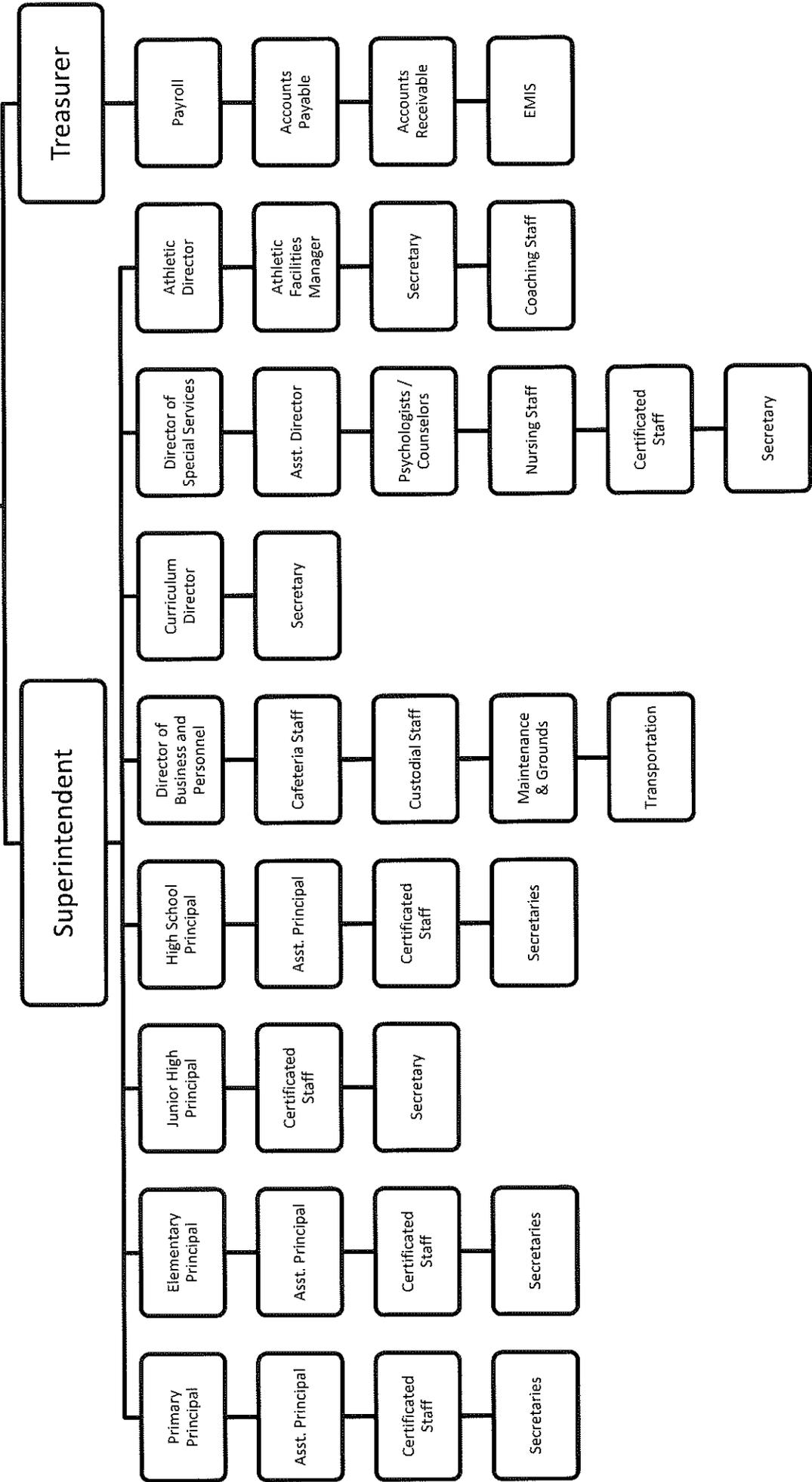
Dr. Elizabeth Lolli	Superintendent
Mrs. Kelley Thorpe	Treasurer
Mrs. Deborah Sander	Director of Curriculum
Dr. Deborah Witt	Director of Special Services
Mr. Broc Bidlack	Director of Facilities

Board of Education Members

Mr. Thomas Leeds	President
Mr. Mike Lane	Vice-President

Mr. Tom Birdwell
Mr. Michael R. Irwin
Mr. Chris Snyder

Board of Education



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Monroe Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery", positioned above the title "Executive Director".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

MONROE LOCAL SCHOOL DISTRICT, BUTLER COUNTY, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Angela Puterman

President

John D. Quason

Executive Director

Financial Section



Comprehensive Annual Financial Report
Monroe Local School District
Monroe, Ohio
For the Fiscal Year Ended June 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Monroe Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe Local School District (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the 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 the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Local School District as of June 30, 2009, and the respective changes in financial position, thereof and the budgetary comparisons for the General, Emergency Levy, and Food Service Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 13, 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 methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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cincinnati, oh 45202

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f. 513.241.1212

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules 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 introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 14, 2009

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

The management's discussion and analysis of Monroe Local School District's financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the School District's financial performance.

The School District is in its ninth year of operation after being established in 2000 following a resident vote to deconsolidate from the Middletown City School District. Upon separation, the School District inherited an academic rating of Academic Watch. The School District has made many significant improvements and has attained a rating of Effective for the past five years. The School District continues to make changes to curricular offerings in its goal to become an Excellent School District.

Financial Highlights

Key financial highlights for 2009 are as follows:

- Current and other assets were greater than current liabilities at the close of the most recent fiscal year by \$1.37 million.
- General revenues accounted for \$20.03 million in revenue or 88.12 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$2.70 million or 11.88 percent of \$22.73 million in total revenues.
- At the end of the current fiscal year, cash and cash equivalents of \$1.98 million accounted for 11.91 percent of total assets, excluding capital assets.
- The School District had \$23.51 million in expenses relating to governmental activities; only \$2.70 million of these expenses were offset by program specific revenues. \$24.01 million in general revenues and beginning balances were adequate to cover the cost of these programs.
- Among major funds, the general fund had \$13.81 million in revenues and \$13.53 million in expenditures. The debt service and emergency levy funds had year end balances of \$0.91 million and \$1.78 million, respectively.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all the School District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The government-wide financial statements can be found on pages 15-17 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net assets and statement of activities.

The School District maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balance for the general fund, debt service, emergency levy fund, food service fund and building fund, which are considered major funds. Data from the other twenty governmental funds are combined into a single, aggregate presentation.

The School District adopts an annual appropriation budget for all of its governmental funds. Budgetary comparison statements have been provided for the general and special revenue major funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18-24 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for governmental funds. The basic fiduciary fund financial statement can be found on page 25 of this report.

Notes to the Financial Statement. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 27 of this report.

Individual Fund Statements and Schedules. The individual fund statements and schedules provide more detailed information about each individual fund for the School District. These statements and schedules can be found starting on page 65 of this report.

Statistical Information. Statistical information presents a year by year comparison of how the School District is doing in several areas. This information can be found starting on page 99 of this report.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's net assets from 2008 to 2009.

Table 1
Net Assets
(in Millions)

	2008	2009	Change
Assets			
Current and Other Assets	\$14.82	\$16.67	\$1.85
Capital Assets, net of Accumulated depreciation	35.31	34.23	(1.08)
<i>Total Assets</i>	<u>50.13</u>	<u>50.90</u>	<u>0.77</u>
Liabilities			
Long-term Liabilities	(33.21)	(32.40)	(0.81)
Other Liabilities	(12.94)	(15.30)	2.36
<i>Total Liabilities</i>	<u>(46.15)</u>	<u>(47.70)</u>	<u>1.55</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	2.81	2.56	(0.25)
Restricted for:			
Grants/Mandates	0.20	0.02	(0.18)
Debt Service	1.18	0.83	(0.35)
Capital Improvements	0.13	0.16	0.03
Unrestricted	(0.34)	(0.33)	0.01
<i>Total Net Assets</i>	<u><u>\$3.98</u></u>	<u><u>\$3.24</u></u>	<u><u>(\$0.74)</u></u>

The changes in capital assets of the School District relate to the annual depreciation (\$1.44) million on the assets with minimal acquisitions \$0.36 million during the fiscal year. As you can see from the statement of net assets, the School District has been able reduce long term liabilities while increasing current assets from last year. The School District works hard on watching the various account balances to maintain a strong fiscal balance.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Graph 1 breaks down the School District's revenues into percentages, while Table 2 compares total revenues for fiscal years 2008 and 2009.

Graph 1
Total Revenues

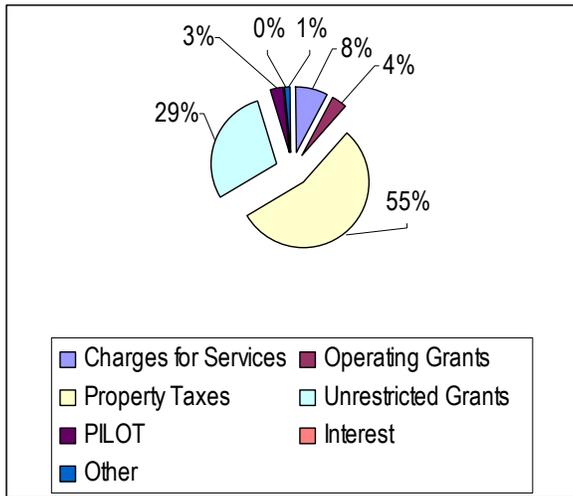


Table 2
Total Revenues
(in Millions)

	2008	2009
Revenues		
<i>Program Revenues</i>		
Charges for Services	\$2.05	\$1.81
Operating Grants	1.09	0.89
<i>General Revenues</i>		
Property Taxes	11.08	11.79
Payment in Lieu of Taxes	0.38	0.68
Grants and Contributions not restricted to specific programs	6.07	7.22
Unrestricted Investment Earnings	0.11	0.04
Miscellaneous	0.15	0.30
Total Revenues	\$20.93	\$22.73

For fiscal year 2009, the School District saw revenues increase in grants by \$0.95 million mainly through increased state generated revenue. The School District saw average daily membership increase from 1,907 to 2,005 and the state share of funding (as calculated on the foundation report) from 33.53% to 39.08%. The School District also saw an increase in property taxes as some exempted parcels are now becoming taxable for the School District.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Table 3 compare total program expenses for fiscal years 2008 and 2009.

Table 3
Total Program Expense
(in millions)

	2008	2009	Change
Program Expenses			
<i>Instruction</i>			
Regular	\$9.96	\$10.34	(\$0.38)
Special	1.27	1.24	(0.03)
Other	0.03	0.04	0.01
<i>Support Services:</i>			
Pupils	0.96	0.85	(0.11)
Instructional Staff	0.71	1.01	0.30
Board of Education	0.06	0.09	0.03
Administration	1.60	1.61	0.01
Fiscal	0.53	0.62	0.09
Business	0.13	0.14	0.01
Operation and Maintenance of Plant	1.60	2.46	0.86
Pupil Transportation	1.63	1.47	(0.16)
Central	0.47	0.46	(0.01)
Operation on Non-Instructional Services	0.01	0.00	(0.01)
Food Service	0.81	0.87	0.06
Extracurricular Activities	0.84	0.79	(0.05)
Interest and Fiscal Charges	1.50	1.52	0.02
Total Expenses	<u>22.11</u>	<u>23.51</u>	<u>\$1.40</u>
Change in Net Assets	<u>(1.18)</u>	<u>(0.78)</u>	
Ending Net Assets	<u>\$3.98</u>	<u>\$3.20</u>	

The largest increases were in operation and maintenance (54%) and instructional staff (42%). The School District saw maintenance costs increase as they took over the old high school building and required additional maintenance that was being completed by another organization in prior years. The instructional staff increased the School District saw student population increase and aides were used over full time staff. The School District has worked very hard to keep operating expenses constant from year to year. The use of the taxpayer's money is a very important element that both the administration and the Board of

*Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)*

Education considers when making decisions. It is this process that has allowed to the School District to maintain a certain level of expenses year after year.

The Major Funds

The School District's major funds start on page 18. These funds are accounted for using the modified accrual basis of accounting, focusing on the near term financial resources of the School District. The major funds account for 95.73% of the \$22.45 million in total revenue and 91.35% percent of the \$23.39 million in total expenditures. The general, emergency levy and debt service funds received a majority of their revenues from property taxes and intergovernmental revenues. Revenues were more than expenditures in the general fund and less than in the emergency levy creating a year end fund balance of (\$0.65) million and \$1.78 million, respectively.

The general fund recognized a \$0.20 million change in fund balance for the fiscal year as School District expended the majority of allowable operating expenditures from the General Fund; however, the School continues to move a portion of those type expenditures to be paid from the Emergency Levy Fund per the spending plan. The General Fund was able to reduce the deficiency from the prior year thanks in part to a larger payment in lieu of taxes from the two new developments near Interstate 75. The General Fund, coupled with the Emergency Levy Fund, accounts for the majority of support services. With increases in building operating and other maintenance costs (53.75% increase over 2008) along with the increase in instructional support services (42.25% increase over 2008), the School District's general revenues of taxes and payment in lieu taxes did increase 7.45%.

The debt service fund accounted for a decrease of \$0.27 million in fund balance resulting in an ending fund balance of \$0.91 million. The School District received \$2.03 million in property taxes related to the bond levy during the year.

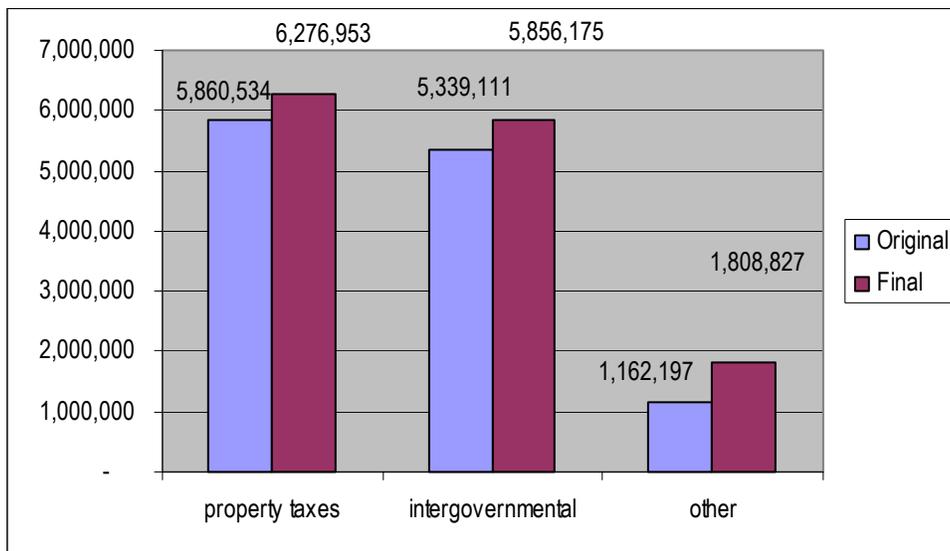
The other major fund for the School District with significant activity is the food service fund. The School District decided to classify the food service as a major fund even though it did not meet the classification requirements; however, the School District desires to report such activity in a separate fashion. The fund operated at a deficit for the second consecutive fiscal year. The School District continues analyzing charges for services to insure they adequately cover the administration and contractual services provided by the School District.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

General Fund Budgetary

Graph 3 depicts the change from the original to the final general fund revenue budget for the fiscal year ended June 30, 2009.

Graph 3
Original Budget versus Final Budget for General Fund Revenues



The School District had a total increase of 12.73 percent from original to final budgets for revenues as the School District did not budget for collection of payment in lieu of taxes; however, all other budgeted revenues were pretty much unchanged. The final revenue amount matched the final budgeted figure as the School District update the final certificate at year end to account for all the revenue.

Table 4 examines the major changes from the original to the final general fund expenditures budget for the fiscal year ended June 30, 2009. The School District increased the final budget in accordance with the increases it received in the final revenue change also. Despite a relatively small total change, the School District did make some changes between instruction and support services as the School District knew all the costs associated with each function towards the end of the year.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Table 4
Original to Final Budget for Expenditures
(In Millions)

	Original	Final	Change
Instruction	\$8.46	\$8.48	\$0.02
Support Services	4.83	4.57	(0.26)
Other	0.02	0.05	0.03

For comparison of actual amounts to final budgets, School District final budget was about 3.38 percent less than the actual expenditures as the School District passed the final appropriation ordinance at the end of the fiscal year but didn't pickup all the final expenditures paid during June 2009. For operating purposes, the School District combines the general and emergency levy funds but for reporting purposes those funds are required to be separated.

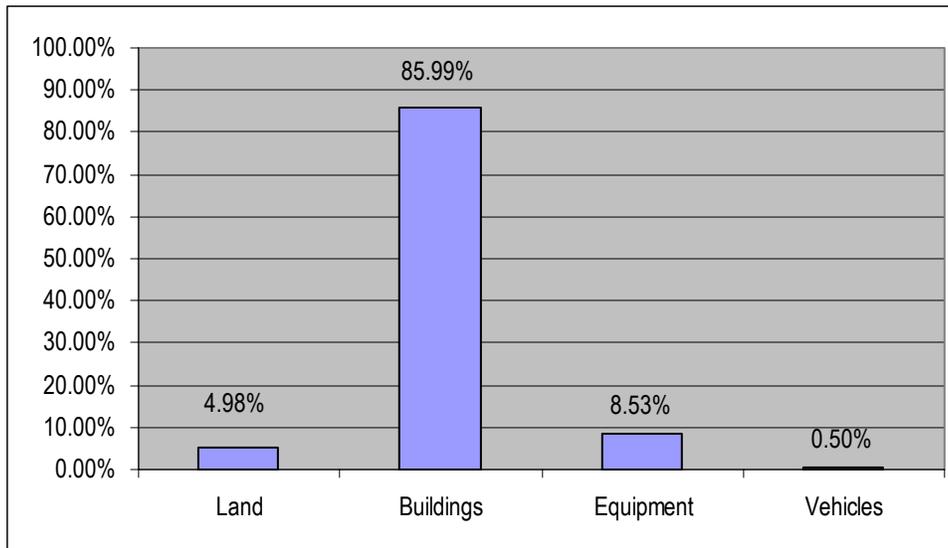
Capital Assets

At the end of the fiscal year, the School District had \$34.23 million invested in land, buildings and improvements, furniture and equipment, and vehicles less accumulated depreciation. The major movement in capital assets for the School District was related to recognizing the annual depreciation on School District's assets. The School District kept expenditures on other capital assets to a minimum during the year.

For more information on the amounts that make up the School District's capital assets and related accumulated depreciation review Note 8 to the basic financial statements. Graph 2 shows the breakdown of the individual classes for capital assets:

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)

Graph 2
Percentage of Capital Assets by Class



Debt Administration

The School District retired \$0.83 million of general obligation bonds during the fiscal year. The School District retired \$0.13 million of capital lease obligations for copier and printer equipment during the year. The School District also had a long term note payable obligation at year end of \$4.24 million. The School District's overall legal debt margin was \$26,534,022.

On November 1, 2001, Monroe voters approved a Bond Issue by a 64.1% margin in the amount of \$29,915,000 to construct a new K-12 facility. The tax to be levied began its first collection in 2002. In an effort to lower the borrowing cost, the School District applied for and received a rating from Moody's Investors Service. Moody's assigned an "A2" rating with a positive outlook. This solid rating was based upon the School District's satisfactory financial position, expanding residential tax base with a favorable wealth profile and manageable but high debt burden. The School District sold the Bonds on April 10, 2002 and secured a variable rate, with an average rate of 5.24% over twenty-eight years. Current interest rate for fiscal year 2009 was 5.00%. For more information on the School District's long term debt obligations review Note 14 to the basic financial statements.

***Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(unaudited)***

Other items impacting the financial strength of the School District

The School District expects to see continued economic growth over the next year as the City's new interstate corridor project develops. The business growth in the areas surrounding Interstate 75 and State Route 63 will increase the School District's assessed value and allow for the School District to continue to improve existing school facilities and broaden services.

The School District saw net assets trend downwards during the year but with continued revenue growth and managing operating expenses the School District's overall financial condition has improved over the prior year when looking at all financial aspects.

Request for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Monroe Local Schools, 231 Macready Drive, Monroe, Ohio 45050.

Treasurer
Monroe Local School District

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Monroe Local School District
Butler County, Ohio
Statement of Net Assets
June 30, 2009

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,983,891
Restricted Cash and Cash Equivalents	36,795
Receivables:	
Property Taxes	13,818,256
Accounts	45,771
Accrued Interest	2,111
Intergovernmental	44,272
Materials and Supplies Inventory	8,774
Issuance Costs	760,610
Nondepreciable Capital Assets	2,228,759
Depreciable Capital Assets	32,002,654
Total Assets	50,931,893
 <u>Liabilities</u>	
Payables:	
Accounts	109,888
Retainage	11,182
Intergovernmental	410,567
Interest	103,149
Salaries and Employee Benefits	1,299,748
Unearned Revenue	13,360,200
Noncurrent Liabilities:	
Due within one year	1,141,377
Due in more than one year	31,259,110
Total Liabilities	47,695,221
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	2,557,873
Restricted for:	
Grants	18,953
Debt Service	833,463
Capital Improvements	161,189
Unrestricted	(334,806)
Total Net Assets	\$ 3,236,672

See accompanying notes to the basic financial statements

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Monroe Local School District
Butler County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$ 10,334,336	\$ 912,989	\$ 120,938	\$ (9,300,409)
Special	1,234,270	-	15,859	(1,218,411)
Other	35,221	-	-	(35,221)
Support Services:				
Pupils	850,125	33,276	69,360	(747,489)
Instructional Staff	1,008,308	27,880	296,029	(684,399)
Board of Education	98,368	-	-	(98,368)
Administration	1,611,985	30,059	2,695	(1,579,231)
Fiscal	623,938	-	-	(623,938)
Business	138,065	-	-	(138,065)
Operation and Maintenance of Plant	2,456,252	-	10,330	(2,445,922)
Pupil Transportation	1,472,138	-	-	(1,472,138)
Central	459,038	-	26,498	(432,540)
Food Service	876,803	616,382	221,474	(38,947)
Extracurricular Activities	790,591	189,975	125,000	(475,616)
Interest and Fiscal Charges	1,516,964	-	-	(1,516,964)
Total Governmental Activities	\$ 23,506,402	\$ 1,810,561	\$ 888,183	(20,807,658)
General Revenues:				
Property Taxes				11,794,566
Payment in Lieu of Taxes				674,093
Grants and Contributions not restricted to specific programs				7,222,395
Unrestricted investment earnings				42,726
Miscellaneous				335,415
Total General Revenues				20,069,195
Changes in Net Assets				(738,463)
Net Assets-Beginning (Restated)				3,975,135
Net Assets-Ending				\$ 3,236,672

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Balance Sheet - Governmental Funds
June 30, 2009

	General	Debt Service	Emergency Levy	Food Service	Building
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 519,114	\$ 854,275	\$ 248,753	\$ 17,898	\$ -
Receivables:					
Property and Other Taxes	7,189,740	2,272,549	4,355,967	-	-
Accounts	29,814	-	-	-	-
Interfund	163,764	-	1,579,072	-	-
Accrued Interest	2,111	-	-	-	-
Intergovernmental	-	-	-	-	-
Materials and Supplies Inventory	-	-	-	8,774	-
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	-	-
Total Assets	7,904,543	3,126,824	6,183,792	26,672	-
Liabilities and Fund Balances					
Liabilities:					
Payables:					
Accounts	58,121	-	34,455	349	-
Retainage	-	-	-	-	-
Due to Local Governments	308,499	-	27,695	26,036	-
Salaries and Employee Benefits	1,143,164	-	89,208	11,292	-
Interfund	-	-	-	47,785	1,627,806
Matured Leave Payable	7,500	-	-	-	-
Deferred Revenue	7,036,556	2,217,403	4,257,163	-	-
Total Liabilities	8,553,840	2,217,403	4,408,521	85,462	1,627,806
Fund Balances:					
Reserved for:					
Lease Purchase Agreement	-	-	-	-	-
Encumbrances	47,997	-	147,269	-	-
Property Taxes	153,184	55,146	98,804	-	-
Unreserved, reported in:					
General (Deficit)	(850,478)	-	-	-	-
Debt Service	-	854,275	-	-	-
Special Revenue (Deficit)	-	-	1,529,198	(58,790)	-
Capital Projects (Deficit)	-	-	-	-	(1,627,806)
Total Fund Balances (Deficit)	(649,297)	909,421	1,775,271	(58,790)	(1,627,806)
Total Liabilities and Fund Balances	\$ 7,904,543	\$ 3,126,824	\$ 6,183,792	\$ 26,672	\$ -

See accompanying notes to the basic financial statements

**Monroe Local School District
Butler County, Ohio
Balance Sheet - Governmental Funds
June 30, 2009**

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
\$ 343,851	\$ 1,983,891		
-	13,818,256	Total Governmental Fund Balances	\$ 545,591
15,957	45,771		
40,286	1,783,122	Amounts reported for governmental activities in the statement of net assets are different because:	
-	2,111		
44,272	44,272	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,231,413
-	8,774		
36,795	36,795	Issuance costs associated with long term debt are not financial resources and, therefore, are not reported in the funds.	760,610
481,161	17,722,992	Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.	195,194
16,963	109,888	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(32,496,136)
11,182	11,182		
48,337	410,567	Net Assets of Governmental Activities	<u>\$ 3,236,672</u>
56,084	1,299,748		
107,531	1,783,122		
-	7,500		
44,272	13,555,394		
284,369	17,177,401		
36,795	36,795		
4,142	199,408		
-	307,134		
-	(850,478)		
-	854,275		
31,461	1,501,869		
124,394	(1,503,412)		
196,792	545,591		
<u>\$ 481,161</u>	<u>\$ 17,722,992</u>		

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Debt Service	Emergency Levy	Food Service	Building
Revenues:					
Property and Other Taxes	\$ 5,884,999	\$ 2,030,106	\$ 3,728,539	\$ -	\$ -
Payments in Lieu of Taxes	674,093	-	-	-	-
Intergovernmental	6,138,791	433,059	650,545	221,474	-
Charges for Services	5,809	-	-	616,382	-
Tuition and Fees	874,207	-	-	-	-
Interest	42,699	-	-	-	-
Gifts and Donations	3,590	-	-	-	-
Rent	7,802	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	182,006	-	-	-	-
Total Revenues	13,813,996	2,463,165	4,379,084	837,856	-
Expenditures:					
Current:					
Instruction:					
Regular	8,725,828	-	213,213	-	-
Special	17,935	-	1,210,141	-	-
Other	38,395	-	-	-	-
Support Services:					
Pupils	589,370	-	141,089	-	-
Instructional Staff	630,525	-	8,907	-	-
Board of Education	97,662	-	-	-	-
Administration	1,240,787	240,765	6,565	-	-
Fiscal	442,252	33,203	149,164	-	-
Business	136,450	-	-	-	-
Operation and Maintenance of Plant	1,468,351	-	602,847	-	-
Pupil Transportation	-	-	1,470,771	-	-
Central	63,865	-	351,565	-	-
Operation of Non-Instructional Services	-	-	-	939,342	-
Extracurricular Activities	434	-	-	-	-
Capital Outlay	-	-	10,021	-	-
Debt Service:					
Principal Retirement	72,753	1,003,562	-	-	-
Interest and Fiscal Charges	3,291	1,455,575	-	-	-
Total Expenditures	13,527,898	2,733,105	4,164,283	939,342	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	286,098	(269,940)	214,801	(101,486)	-
Other Financing Sources (Uses):					
Proceeds from Lease Purchase Agreement	-	-	-	-	-
Transfers - In	-	-	-	-	-
Transfers - Out	(87,929)	-	(552,009)	-	-
Total Other Financing Sources (Uses)	(87,929)	-	(552,009)	-	-
Net Change in Fund Balances	198,169	(269,940)	(337,208)	(101,486)	-
Fund Balances (Deficit) - beginning (restated)	(847,466)	1,179,361	2,112,479	42,696	(1,627,806)
Fund Balances (Deficit) - ending	<u>\$ (649,297)</u>	<u>\$ 909,421</u>	<u>\$ 1,775,271</u>	<u>\$ (58,790)</u>	<u>\$ (1,627,806)</u>

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2009

Other Governmental Funds	Total Governmental Funds			
\$ -	\$ 11,643,644	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		
-	674,093			
500,726	7,944,595			
-	622,191			
-	874,207			
27	42,726			
158,680	162,270			
10,088	17,890			
276,518	276,518			
48,457	230,463			
994,496	22,488,597		Net Change in Governmental Fund Balances	\$ (534,878)
			Amounts reported in governmental activities in the statement of activities are different because:	
			Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and disposals exceeded capital outlays in the current period.	(1,083,794)
165,502	9,104,543			
14,087	1,242,163			
-	38,395			
113,780	844,239	Amortization of long-term debt related items, such as discounts, and premiums, do not require use of current financial resources and are not reported in the funds.	84,148	
358,656	998,088			
-	97,662			
41,453	1,529,570	Repayment of long-term obligations is reported as an expenditure in governmental funds; however, the repayment reduces long-term liabilities in the statement of net assets. In the current year, this amount is:	1,076,315	
-	624,619			
-	136,450			
26,746	2,097,944	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	195,194	
1,367	1,472,138			
38,403	453,833			
-	939,342			
841,236	841,670	Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(475,448)	
422,617	432,638			
-	1,076,315	Change in net assets of governmental activities	\$ (738,463)	
-	1,458,866			
2,023,847	23,388,475			
(1,029,351)	(899,878)			
365,000	365,000			
639,938	639,938			
-	(639,938)			
1,004,938	365,000			
(24,413)	(534,878)			
221,205	1,080,469			
\$ 196,792	\$ 545,591			

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual -
General Fund
For the Fiscal Year Ended June 30, 2009

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$5,860,534	\$6,276,953	\$6,276,953	\$0
Intergovernmental	5,339,111	5,856,175	5,856,175	0
Interest	30,000	38,602	38,602	0
Tuition and Fees	867,197	877,285	877,285	0
Extra Curricular Activities	0	0	0	0
Rent	0	7,127	7,127	0
Gifts and Donations	5,000	3,590	3,590	0
Customers Sales and Services	2,500	5,809	5,809	0
Payments in Lieu of Taxes	250,000	719,189	719,189	0
Miscellaneous	7,500	151,253	157,225	5,972
Total Revenues	12,361,842	13,935,983	13,941,955	5,972
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	8,389,314	8,354,551	8,554,551	(200,000)
Special	64,400	83,726	83,726	0
Vocational	2,000	360	360	0
Student Intervention Services	0	38,035	38,035	0
Support Services:				
Pupils	516,900	605,363	605,363	0
Instructional Staff	356,188	630,358	630,358	0
Board of Education	83,109	93,605	93,605	0
Administration	1,329,433	1,414,555	1,414,555	0
Fiscal	470,158	427,429	427,429	0
Business	131,623	121,999	121,999	0
Operation and Maintenance of Plant	1,884,533	1,252,392	1,496,968	(244,576)
Central	60,864	77,273	77,273	0
Extracurricular Activities	15,859	45,843	45,843	0
Total Expenditures	13,304,381	13,145,489	13,590,065	(444,576)
Excess of Revenues over (Under) Expenditures	(942,539)	790,494	351,890	(438,604)
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	1,332	1,332	0
Transfers Out	0	(87,929)	(87,929)	0
Total Other Financing Sources (Uses)	0	(86,597)	(86,597)	0
Net Change in Fund Balance	(942,539)	703,897	265,293	(438,604)
Fund Balances at Beginning of Year	77,261	77,261	77,261	0
Prior Year Encumbrances Appropriated	118,979	118,979	118,979	0
Fund Balances at End of Year	(\$746,299)	\$900,137	\$461,533	(\$438,604)

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual -
Emergency Levy Fund
For the Fiscal Year Ended June 30, 2009

	Emergency Levy Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$4,698,039	\$3,988,363	\$3,988,363	\$0
Intergovernmental	551,790	465,671	468,438	2,767
Total Revenues	5,249,829	4,454,034	4,456,801	2,767
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	267,919	212,874	212,874	0
Special	1,177,687	1,180,358	1,180,358	0
Support Services:				
Pupils	281,500	288,359	288,359	0
Instructional Staff	0	23,027	23,027	0
Administration	188,123	3,263	3,263	0
Fiscal	134,666	136,523	136,523	0
Operation and Maintenance of Plant	40,000	602,847	602,847	0
Pupil Transportation	1,732,280	1,465,257	1,465,257	0
Central	295,000	340,857	340,857	0
Capital Outlay	187,861	10,021	10,021	0
Total Expenditures	4,305,036	4,263,386	4,263,386	0
Excess of Revenues Over (Under) Expenditures	944,793	190,648	193,415	2,767
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	172	172	0
Transfers Out	0	(141,650)	(552,009)	(410,359)
Total Other Financing Sources (Uses)	0	(141,478)	(551,837)	(410,359)
Net Change in Fund Balance	944,793	49,170	(358,422)	(407,592)
Fund Balances at Beginning of Year	362,256	362,256	362,256	0
Prior Year Encumbrances Appropriated	97,650	97,650	97,650	0
Fund Balances at End of Year	\$1,404,699	\$509,076	\$101,484	(\$407,592)

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual -
Food Service Fund
For the Fiscal Year Ended June 30, 2009

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$155,000	\$221,474	\$221,474	\$0
Charges for Services	525,000	616,442	616,442	0
Total Revenues	680,000	837,916	837,916	0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services	1,059,500	844,500	931,939	(87,439)
Total Expenditures	1,059,500	844,500	931,939	(87,439)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(379,500)	(6,584)	(94,023)	(87,439)
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	315	315	0
Total Other Financing Sources	0	315	315	0
Net Change in Fund Balance	(379,500)	(6,269)	(93,708)	(87,439)
Fund Balances at Beginning of Year	27,009	27,009	27,009	0
Prior Year Encumbrances Appropriated	84,500	84,500	84,500	0
Fund Balances at End of Year	<u>(\$267,991)</u>	<u>\$105,240</u>	<u>\$17,801</u>	<u>(\$87,439)</u>

See accompanying notes to the basic financial statements

*Monroe Local School District
Butler County, Ohio
Statement of Fiduciary Assets and Liabilities -
Fiduciary Fund
June 30, 2009*

	<u>Student Activities Fund</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 57,972
	<hr/>
<u>Liabilities</u>	
Accounts Payable	664
Due to Students	57,308
	<hr/>
Total Liabilities	\$ 57,972
	<hr/>

See accompanying notes to the basic financial statements

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*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 1 - Description of the School District and Reporting Entity

Monroe Local School District (the "School District" or "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. On September 14, 1999, the Ohio State Board of Education approved a resolution that allowed only residents living in the city limits of Monroe and portions of Lemon Township to decide at the March 7, 2000 election whether to establish a separate Monroe Local School District. The ballot was approved and on April 12, 2000, the State Board of Education appointed, by resolution, the five-member Monroe Local School District Board of Education. The transfer of assets was made to the Monroe Local School District on June 30, 2000.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's three instructional support facilities staffed by approximately 65 non-certificated personnel, 134 teaching personnel and 16 administrative employees providing education to 2,307 students.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Monroe Local School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Accordingly, the School District has no component units.

Note 2 - Summary of Significant Accounting Policies

The School District is associated with four organizations of which two are defined as jointly governed organizations and two as insurance purchasing pools. These organizations are the Southwestern Ohio Computer Association (SWOCA), Butler Technology and Career Development Schools, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and Butler Health Plan, respectively. These organizations are presented in Notes 16 and 17.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 2 - Summary of Significant Accounting Policies (continued)

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund activity has been removed from these statements except interfund services, such as administrative services, provided and used in the normal course of business.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is expected to be liquidated with expendable, available resources. However, expenditures related to compensated absences are recorded only when payment is due.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 2 - Summary of Significant Accounting Policies (continued)

Property taxes, grants and entitlements, tuition, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the District.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District employs the use of two categories of funds: governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

The *general fund* is the government's 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 the retirement of specific general governmental short and long term obligations. All revenues derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans, shall be paid in this fund.

The *emergency levy fund* accounts for the revenues and expenditures of emergency operating levies. There are two levies in effect: a 2000 levy which has been renewed through 2009 and a 2001 levy active through 2010.

The *food service fund* accounts for the financial transactions related to food service operation. It accounts for all food service charges for services, state and federal grants specific to the fund service activity, as well as related food service expenditures. The District has chosen to report this fund as a major fund.

The *building fund* accounts for the revenues and expenditures related to the acquisition and construction of capital facilities including real property.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The District maintains one fiduciary fund, an agency fund known as the Student Activities Fund. The fund was established to account for revenues generated by student managed activities. The District's agency fund is custodial in nature (assets equal liabilities) and is reported on the accrual basis of accounting; however, it does not involve the measurement of results of operations.

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

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

By no later than January 20, the Board-adopted budget is filed with the Butler County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer.

The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2009.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at board level. For management purposes, the budget is monitored at the object level.

Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted and they were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the statement of net assets and governmental fund balance sheet.

During fiscal year 2009 investments were limited to funds invested in federal mortgage backed agencies securities, United States treasury obligations, money market mutual funds, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2009.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund, during fiscal year 2009 amounted to \$42,699 which includes \$37,789 assigned from other District funds. The permanent improvement capital projects fund also received \$27 during 2009 in interest.

E. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

F. Capital Assets

Capital assets, which include land, buildings and improvement, furniture and equipment, and vehicles, are reported on the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual amounts were not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The School District reviewed possible infrastructure assets (roads, bridges, culverts, etc.) which could be required to be capitalized. The School District has no infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Furniture and Equipment	5
Vehicles	5

G. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributed to services already rendered and it is probable that the School District will compensate the employees for benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on sick leave accumulated by June 30 by those employees who are eligible to receive termination payments and by those employees for whom it is probable that they will become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employee's wages rates at fiscal year end, taking into consideration any limits specified in union contracts.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. Matured leave payable in the fund financial statements represents the entire current portion. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. The entire liability is reported on the government-wide statement of net assets.

H. Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, capital leases, compensated absences, long term notes payable and general obligation bonds payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be expected to be liquidated with expendable, available financial resources.

I. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally separated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure in the governmental fund balance sheet. Fund balances represent the difference between assets and liabilities in the Balance Sheet - Governmental Funds, while unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes and lease purchase agreement. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for lease purchase agreement represents the balance on the agreement that has not been expended at June 30, 2009.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

J. Net Assets

Net assets represent the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include federal and state grants restricted to expenditures for specific purposes and payment of principal or interest on debt obligations.

K. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchase funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

L. Interfund Balances

On fund financial statements, receivables and payables resulting from transaction-like activities between a government's various funds are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net assets.

M. Deferred Revenues/Unearned Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenues on the governmental balance sheet or unearned revenues on the statement of net assets. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 - Summary of Significant Accounting Policies (continued)

N. Exchange/Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 2 - Summary of Significant Accounting Policies (continued)

P. Reconciliation of government-wide and fund financial statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$32,496,136) difference are as follows:

Capital Lease Payable	(\$309,438)
Long Term Notes Payable including Discount	(4,193,730)
General Obligation Bonds Payable including Premium	(27,207,167)
Accrued Interest Payable	(103,149)
Compensated Absences	<u>(682,652)</u>
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$32,496,136)</u></u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$34,231,413 difference are as follows:

Capital Assets	\$44,749,886
Accumulated Depreciation	<u>(10,518,473)</u>
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$34,231,413</u></u>

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 2 - Summary of Significant Accounting Policies (continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

An element of that reconciliation states that some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures/revenues in governmental funds." The details of this (\$475,448) are as follows:

Change in Leave Balances	(\$52,350)
Net Interest on Bonds	(21,170)
Lease Purchase Agreement	(365,000)
Amortization of Issuance Costs	(36,928)
Net Adjustment - current financial resources focus to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	(\$475,448)

Another element of that reconciliation states that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposals exceeded capital outlays in the current period." The details of this (\$1,083,794) are as follows:

Current capital additions	\$363,797
Impact of disposals	(12,445)
Depreciation Expense	(1,435,146)
Net Adjustment - capital assets to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	(\$1,083,794)

Note 3 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Major Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 3 - Budgetary Basis of Accounting (continued)

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from short-term note obligations are reported on the operating statement (Budget basis) rather than as a balance sheet transaction (GAAP basis).
5. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for major funds. Only the general fund and major special revenue funds are reported for comparison.

Net Change in Fund Balance			
Major Funds			
	General Fund	Emergency Levy Fund	Food Service Fund
GAAP Basis	\$198,169	(\$337,208)	(\$101,486)
Adjustments:			
Revenue Accrual	129,291	77,889	375
Expenditure Accrual	(6,685)	48,166	7,502
Encumbrances	(55,482)	(147,269)	(99)
Budget Basis	<u>\$265,293</u>	<u>(\$358,422)</u>	<u>(\$93,708)</u>

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2009, the general fund, food service, district managed activities, early entry program, summer intervention, title vi-b, title i grant, title vi grant, EHA preschool grant, and improving teacher quality special revenue funds and building capital projects fund had deficit fund balances of \$649,297; \$58,790; \$32,951; \$3,727; \$7,420; \$67,003; \$37,748; \$4,720; \$1,563; \$35,601 and \$1,627,806, respectively. The deficits in the special revenue funds were created through recognition of amounts owed but not yet paid by the funds (accounts payable). The School District advances monies to these funds only when required and transfers funds only to the extent that the amount issued between funds cannot be repaid.

The deficit in the capital projects fund is the result of money owed to the general fund in connection with additional capital needs for two field houses and the new school building above the revenue from the debt proceeds. The School District reports the general and emergency levy funds as separate funds for financial reporting purposes but had treated them as one fund for operating purposes. The financial reporting allocation has resulted in the general fund producing a negative fund balance. The School District has decided to treat the funds as individual funds for operating purposes going forward, which in turn will eliminate the deficit in the general fund.

B. Compliance

The following funds had appropriations in excess of estimated resources and available balances:

Non Major Funds:	
District Managed Activities	\$8,833
Early Entry Grant	5,829
Miscellaneous State Grants	11,279
Title VI-B Grant	2,059
Title III Grant	888
Title I Grant	51,881
Title VI Grant	1,865
Drug-Free Grant	6,386
Improving Teacher Quality	37,822

The following funds had expenditures and encumbrances in excess of appropriations:

General Fund	\$444,576
Debt Service Fund	457,825
Emergency Levy Fund	410,359
Food Service Fund	87,439
Non Major Funds:	
Special Trust	3,480
District Managed Activities	560,598
OneNet Ohio	5,134
Title VI-B Grant	52,933

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 5 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 5 - Deposits and Investments (continued)

4. Bonds; and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in numbers (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At fiscal year-end, the carrying value of the School District's deposits was \$149,995 and the bank balance was \$241,472. The entire balance of the School District's deposits was insured by federal depository insurance based on criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 5 - Deposits and Investments (continued)

Investments

As of June 30, 2009, the School District had the following investments.

	<u>Carrying and Fair Value</u>	<u>Average Maturity</u>
Federal Home Loan Bank Bonds	\$49,937	3.02 year
Federal Farm Credit Bank Notes	49,578	4.87 year
United States Treasury Note	49,750	2.49 year
Money Market Mutual Funds	153,726	< 1 year
STAR Ohio	1,588,877	< 1 year
Total Investments	<u>\$1,891,868</u>	

Interest Rate Risk - The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk - The School District has no investment policy that would further limit its investment choices. The District limits their investments to securities in STAR Ohio, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and United States Treasury Notes. Below are the credit ratings of the School District's investments:

<u>Security</u>	<u>Rating Agency</u>	
	<u>Moody's</u>	<u>Standard & Poor's</u>
STAR Ohio	N/A	AAAm
Federal Home Loan Bank Bonds	Aaa	AAA
Federal Farm Credit Bank Notes	Aaa	AAA

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Bonds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 5 - Deposits and Investments (continued)

Concentration of Credit Risk - The School District places no limit on the amount it may invest in any one issuer. The School District's investment in STAR Ohio represents 83.90% of the School District's investments with Money Market Mutual Funds representing 8.10% of the School District's total investments.

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2009 for real and public utility property taxes represents collections of calendar 2009 taxes. Property tax payments received during calendar 2009 for tangible personal property (other than public utility property) is for calendar 2009 taxes.

2009 real property taxes are levied after April 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2009 public utility property taxes became a lien December 31, 2009, are levied after April 1, 2009 and are collected in 2009 with real property taxes.

2009 tangible personal property taxes are levied after April 1, 2009, on the value as of December 31, 2009. Collections are made in 2009. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 6 - Property Taxes (continued)

The assessed values upon which fiscal year 2009 taxes were collected are as follows:

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$267,884,360	86.91%	\$294,924,470	88.12%
Public Utility	17,463,260	5.67	16,944,650	5.06
Tangible Personal Property	22,885,766	7.42	22,815,331	6.82
Total Assessed Value	\$308,233,386	100.00%	\$334,684,451	100.00%
Tax rate per \$1,000 of assessed valuation	 \$46.21		 \$45.46	

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2009. Although total property tax collections for the next fiscal year are measurable, the amount available as an advance at June 30 and delinquent taxes is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. Delinquency is considered immaterial and all taxes are reasonably expected to be received within one year. The amount available as an advance at June 30, 2009, was \$153,184 in the general fund, \$55,146 in the debt service fund and \$98,804 in the emergency levy fund.

Note 7 - Receivables

Receivables at June 30, 2009, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for nonpayment of taxes, the stable conditions of State programs, and the current year guarantee of federal funds. All amounts recorded as a receivable are reasonably expected to be received within one year and any amounts beyond one year are immaterial.

The title iii, title i, improving teacher quality and miscellaneous federal grants nonmajor special revenue funds had intergovernmental receivables of \$888; \$35,558; \$6,864; and \$962; respectively.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance 7/01/08</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/09</u>
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$2,228,759	\$0	\$0	\$2,228,759
Capital Assets, being depreciated				
Buildings and Improvements	38,447,439	0	0	38,447,439
Furniture and Equipment	3,519,793	355,947	(62,635)	3,813,105
Vehicles	260,348	7,850	(7,615)	260,583
Total at Historical Cost	<u>44,456,339</u>	<u>363,797</u>	<u>(70,250)</u>	<u>44,749,886</u>
Accumulated Depreciation				
Buildings and Improvements	(5,831,658)	(1,044,833)	0	(6,876,491)
Furniture and Equipment	(3,083,570)	(387,135)	53,426	(3,417,279)
Vehicles	(225,904)	(3,178)	4,379	(224,703)
Total Accumulated Depreciation	<u>(9,141,132)</u>	<u>(1,435,146)</u>	<u>57,805</u>	<u>(10,518,473)</u>
Governmental Activities				
Capital Assets, Net	<u>\$35,315,207</u>	<u>(\$1,071,349)</u>	<u>(\$12,445)</u>	<u>\$34,231,413</u>

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 8 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,242,053
Special	4,481
Support Services:	
Pupils	1,386
Instructional Staff	6,528
Board of Education	514
Administration	71,936
Fiscal	2,698
Operation and Maintenance of Plant	38,787
Central	27,830
Food Services	15,570
Extracurricular Activities	23,363
Total Depreciation Expense	\$1,435,146

Note 9 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the School District contracted with Indiana Insurance Company for general commercial, fleet and employee benefits liability and Cincinnati Insurance Company for boiler and machinery coverage. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$51,495,647
Boiler and Machinery (\$1,000 deductible)	15,000,000
Automobile Liability (\$1,000 deductible)	1,000,000
Uninsured Motorists	1,000,000
Employee Benefits	
Aggregate	5,000,000
Per occurrence	5,000,000

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 9 - Risk Management (continued)

General Liability	
Aggregate	\$2,000,000
Per occurrence	1,000,000
Errors and Omissions	
Aggregate	1,000,000
Per occurrence	1,000,000

Settled claims have not exceeded this commercial coverage in the past three years. There has been no significant reductions in insurance coverage from last year.

B. Workers' Compensation

For fiscal year 2009, the School District participated in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." The "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 10 – Defined Benefit Pension Plans

A. School Employee Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were \$182,591, \$162,766, and \$157,427 respectively; 61 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

***Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009***

Note 10 – Defined Benefit Pension Plans (continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$1,203,485, \$1,027,655, and \$828,011 respectively; 86 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$41,767 made by the School District and \$54,278 made by the plan members.

***Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009***

Note 11 – Postemployment Benefits

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$142,239

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$85,370, \$74,275, and \$48,938 respectively; 61 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal year ended June 30, 2009 and 2008 (2008 was the first year required disclosure) was \$13,257 and \$11,728, 61 percent has been contributed for fiscal year 2009 with 100% for fiscal year 2008.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 11 – Postemployment Benefits (continued)

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$92,576, \$79,050, and \$63,693 respectively; 86 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Note 12 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits were derived from negotiated agreements and State laws. Classified employees can earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated vacation time must be used within one year from when it is earned. Accumulated unused vacation time earned in the preceding year is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 220 days. Upon retirement, payment is made for one fourth of the total sick leave accumulation. After fifteen years of total service, the School District assumes an employee will retire from the School District for reporting purposes.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 12 - Other Employee Benefits (continued)

B. Health, Dental and Life Insurance

The School District provides health and dental insurance coverage to employees through the Butler County Health Plan (an Insurance Purchasing Pool - See Note 17.) The School District provides for the payment of 95% of the single plan participant health insurance premium and funds 90% of the family plan participant health insurance premium. The School District further funds 85% of the annual premium for dental insurance coverage. All amounts not paid by the District are passed along to the employee through payroll deduction.

The School District provides life insurance and accidental death and dismemberment insurance to all employees who work more than twenty hours per week through Canadian Life Insurance. The amount of insurance coverage provided to each employee is \$30,000.

Note 13 - Capital Leases

The School District entered into a lease purchase agreement for improvements to the primary building. The School District also entered into capitalized leases for copy machines during fiscal year 2001. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of copiers and improvements have been capitalized on the statement of net assets in the amount of \$852,385 book value. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was also recorded. Principal payments in fiscal year 2009 totaled \$72,753 in the general fund and \$55,562 in the debt service fund.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Furniture and Equipment	\$852,385
Less: Accumulated Depreciation	(428,051)
Total	\$424,334

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 13 - Capital Leases (continued)

The annual debt service requirements to maturity for the capital lease paid from the General Fund and Debt Service Fund are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2010	\$69,333	\$11,866	\$81,199
2011	72,352	8,847	81,199
2012	75,502	5,697	81,199
2013	78,790	2,409	81,199
2014	13,461	72	13,533
Total	\$309,438	\$28,891	\$338,330

Note 14 - Long-Term Liabilities

The changes in the School District's long-term obligations (non-current liabilities) during the year consist of the following:

	Obligation Outstanding 7/01/08	Additions	Reductions	Obligation Outstanding 6/30/09	Amounts Due in One Year
Governmental Activities					
Compensated Absences	\$705,108	\$745,134	\$760,090	\$690,152	\$52,044
Long Term Notes	4,361,000	0	118,000	4,243,000	120,000
Note Discount/Premium	(52,354)	0	3,084	(49,270)	0
General Obligation Bonds	6,920,229	0	830,000	6,090,229	900,000
Bond Premium	471,544	0	21,761	449,783	0
Refunded General					
Obligation Bonds	19,325,000	0	0	19,325,000	0
Bond Premium	1,407,626	0	65,471	1,342,155	0
Capital Leases Payable	72,753	365,000	128,315	309,438	69,333
Total Governmental	\$33,210,906	\$1,110,134	\$1,926,721	\$32,400,487	\$1,141,377

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 14 - Long-Term Liabilities (continued)

General Obligation Bonds - On April 15, 2002 the School District issued \$29,910,228 in general obligation bonds for the purpose of constructing a new high school building and related land purchases. The bonds were issued for a twenty-eight year period with a final maturity of December 1, 2029. The bonds will be retired from the debt service fund and pay interest at rates ranging from 3.85% to 5.75%.

Refunded General Obligation Bonds – On October 12, 2006 the School District issued \$19,640,000 as part of a refunding of the 2002 general obligation bonds. These new bonds have a final maturity of December 1, 2029 and pay interest at rates ranging from 3.75% to 5.50%.

Long Term Notes - On August 19, 2004 and March 28, 2005, the School District issued a total of \$3,603,733 in general long term notes for the purpose of constructing two new field houses for athletic facilities of the District. The School District issued the remaining \$861,000 long term notes on November 2005. The notes were issued for thirty years with a final maturity in 2034. The notes will be retired from the debt service fund and pay interest at rates ranging from 3.10% to 4.39%.

Compensated absences will be paid from the fund where the employee's salary is paid which is typically the general or emergency levy funds. The General Obligation Bonds and Long Term Notes will be paid from the Debt Service fund with a special tax levy. Capital leases will be paid from the General fund.

At June 30, 2009, the School District's overall legal debt margin was \$26,534,022, an energy conservation debt margin of \$3,012,160 and an unvoted debt margin of \$334,684.

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2010	\$900,000	\$1,219,789	\$2,119,789
2011	325,000	1,195,045	1,520,045
2012	435,000	1,179,058	1,614,058
2013	505,000	1,158,957	1,663,957
2014	475,000	1,139,194	1,614,194
2015-2019	3,940,000	5,651,440	9,591,440
2020-2024	7,095,000	4,348,975	11,443,975
2025-2029	11,410,000	2,049,063	13,459,063
2030	330,229	63,675	393,904
Totals	\$25,415,229	\$18,005,196	\$43,420,425

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 14 - Long-Term Liabilities (continued)

Fiscal Year Ending June 30,	Long Term Notes		
	Principal	Interest	Total
2010	\$120,000	\$183,948	\$303,948
2011	126,000	178,618	304,618
2012	132,000	147,990	279,990
2013	138,000	118,528	256,528
2014	145,000	115,333	260,333
2015-2019	841,000	523,468	1,364,468
2020-2024	1,066,000	398,412	1,464,412
2025-2029	787,000	258,631	1,045,631
2030-2034	888,000	99,314	987,314
Totals	\$4,243,000	\$2,024,241	\$6,267,241

Note 15 - Interfund Balances

Interfund balances at June 30, 2009, consist of the following individual receivables and payables in the governmental fund balance sheet (such amounts are removed in the statement of net assets):

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Major Funds:				
General Fund	\$163,764	\$0	\$0	\$87,929
Emergency Levy	1,579,072	0	0	552,009
Food Service	0	47,785	0	0
Building	0	1,627,806	0	0
Nonmajor Funds	40,286	107,531	639,938	0
Total All Funds	\$1,783,122	\$1,783,122	\$639,938	\$639,938

The interfund activity relate to the current year repayment of advances made by the General Fund and Emergency Levy fund during 2008. There was no advances to other funds during 2009.

The advance to the building capital projects fund was for additional expenditures related to the construction of the fieldhouse. The School District is evaluated if there are any future resources to repay this advance.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 15 - Interfund Balances (continued)

The transfers out of General and Emergency Levy major funds were to District Managed Activities and grant special revenue funds to cover deficits in the funds during the year.

Note 16 - Jointly Governed Organizations

A. Southwestern Ohio Computer Association

The Southwestern Ohio Computer Association (SWOCA), a jointly governed organization, was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortium supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. During the 2009 fiscal year, the School District paid \$69,869 to SWOCA for services. The District has neither ongoing financial interest in nor responsibility for the Association. To obtain financial information, write to SWOCA, at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

B. Butler Technology and Career Development Schools

The Butler Technology and Career Development Schools (Butler Tech), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected boards. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Butler Tech was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has neither ongoing financial interest in nor responsibility for the Joint Vocational School. To obtain financial information, write to the Butler Tech, at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 17 - Insurance Purchasing Pools

A. Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the plan.

B. Butler Health Plan

The School District participates in the Butler Health Plan (BHP), an insurance purchasing pool. The BHP was formed to provide affordable medical, dental and vision insurance to member's employees, eligible dependents and designated beneficiaries. The Board of Trustees is composed of seven representatives from the participating members, five of whom shall be administrative employees (at least one superintendent and one treasurer), one shall be a certificated employee and one shall be a classified employee. Each representative is elected to serve a three year staggered term. To obtain financial information write to BHP at 1910 Fairgrove Avenue, Hamilton, Ohio 45011.

Note 18 - Set-aside calculations and fund reserves

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Textbooks	Capital Acquisition
Set-aside Cash Balance as of June 30, 2008	(\$678,565)	\$164,552
Current Year Set-aside Requirement	332,012	332,012
Qualifying Disbursements	(420,602)	(496,652)
Total	(767,155)	(88)
Set-Aside Offset Carried Forward to FY 2009	(\$767,155)	\$0

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 18 - Set-aside calculations and fund reserves (continued)

Although the School District had qualifying disbursements during the year that reduced the textbook set-aside amounts to below zero, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future years.

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

B. Litigation

As of June 30, 2009, there were no pending cases.

Note 20 –Restatement of Net Assets/Fund Balance

In prior years, the School District made cash advances from the general and emergency levy major funds to other funds. When those advances were paid in the following year the repayment was posted incorrectly on the GAAP basis. The prior period adjustment in the debt service fund is the result of posting interest incorrectly in prior years. The prior period adjustment in the nonmajor governmental funds results from the elimination of the School District's activity account. The prior period adjustments were recorded to correct as follows:

	Government Wide Net Assets	General Fund	Debt Service Fund	Emergency Levy Fund	Nonmajor Governmental Funds
Net Assets - June 30, 2008	\$3,983,536	(\$1,004,782)	\$1,179,456	\$2,267,709	\$231,597
Prior Period Adjustment	(8,401)	157,316	(95)	(155,230)	(10,392)
Net Assets - June 30, 2008 restated	\$3,975,135	(\$847,466)	\$1,179,361	\$2,112,479	\$221,205

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Monroe Local School District

Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Special Trust – A fund used to account for contributions received by the School District that are eligible for use in all School District programs.

Public School Support – This fund is used to account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e., sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Other Grant – This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Special Collections – This fund accounts for the rent and operational costs of the old high school building being used by various County departments.

District Managed Activities – This fund accounts for those student activity programs that have student participation in the activity, but do not have student management of the programs.

Educational Management Information Systems – This fund accounts for hardware and software development, or other costs associated with the requirements of the management information system.

Early Entry Program – To implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

OneNet Ohio – A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

School Net Professional Development – This fund accounts for the revenue and expenditures associated with a limited number of professional development subsidy grants.

Monroe Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (continued)

Summer Intervention – This fund accounts for summer intervention services satisfying criteria define in division (E) of section 3313.068 of the Revised Code.

Miscellaneous State Grants – This fund accounts for various monies received from State agencies that are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Title VI-B Grant – This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title III Grant - This fund accounts for the School to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I Grant – This fund accounts for federal funds expended for services provided to meet special educational needs of educationally deprived children.

Title VI Grant – This fund accounts for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

Drug-Free Grant – This fund accounts for federal funds used to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

EHA Preschool Grant – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Monroe Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (continued)

Improving Teacher Quality Grant – This fund accounts for federal funds to be used to support the teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants – This fund accounts for the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following is a description of the School District's nonmajor capital project fund:

Nonmajor Capital Projects Fund

Permanent Improvement Fund – This fund accounts for all transactions related to the acquiring, constructing, or improving such permanent improvements as are authorized by Chapter 5705, Revised Code.

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Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 211,237	\$ 132,614	\$ 343,851
Receivables:			
Accounts	12,995	2,962	15,957
Interfund	40,286	-	40,286
Intergovernmental	44,272	-	44,272
Restricted Assets:			
Cash and Cash Equivalents	-	36,795	36,795
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>308,790</u>	<u>172,371</u>	<u>481,161</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Payables:			
Accounts	16,963	-	16,963
Retainage	-	11,182	11,182
Due to Local Governments	48,337	-	48,337
Salaries and Employee Benefits	56,084	-	56,084
Interfund	107,531	-	107,531
Deferred Revenue	44,272	-	44,272
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>273,187</u>	<u>11,182</u>	<u>284,369</u>
Fund Balances:			
Reserved for:			
Lease Purchase Agreement	-	36,795	36,795
Encumbrances	4,142	-	4,142
Unreserved, reported in:			
Special Revenue	31,461	-	31,461
Capital Projects	-	124,394	124,394
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>35,603</u>	<u>161,189</u>	<u>196,792</u>
Total Liabilities and Fund Balances	<u>\$ 308,790</u>	<u>\$ 172,371</u>	<u>\$ 481,161</u>

Monroe Local School District
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 500,726	\$ -	\$ 500,726
Interest	-	27	27
Rent	-	10,088	10,088
Gifts and Donations	33,680	125,000	158,680
Extracurricular Activities	276,518	-	276,518
Miscellaneous	11,662	36,795	48,457
	<hr/>	<hr/>	<hr/>
Total Revenues	822,586	171,910	994,496
Expenditures:			
Current:			
Instruction:			
Regular	147,450	18,052	165,502
Special	14,087	-	14,087
Support Services:			
Pupils	113,780	-	113,780
Instructional Staff	358,656	-	358,656
Administration	41,453	-	41,453
Operation and Maintenance of Plant	6,252	20,494	26,746
Pupil Transportation	1,367	-	1,367
Central	33,174	5,229	38,403
Extracurricular Activities	799,794	41,442	841,236
Capital Outlay	-	422,617	422,617
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,516,013	507,834	2,023,847
Excess (Deficiency) of Revenues Over (Under) Expenditures	(693,427)	(335,924)	(1,029,351)
Other Financing Sources			
Proceeds from Lease Purchase Agreement	-	365,000	365,000
Transfers - In	639,938	-	639,938
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	639,938	365,000	1,004,938
Net Change in Fund Balances	(53,489)	29,076	(24,413)
Fund Balances - beginning (restated)	89,092	132,113	221,205
Fund Balances - ending	<u>\$ 35,603</u>	<u>\$ 161,189</u>	<u>\$ 196,792</u>

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Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2009

	Special Trust	Public School Support	Other Grant	Special Collections	District Managed Activities
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 9,363	\$ 83,195	\$ 66,234	\$ -	\$ -
Receivables:					
Accounts	-	1,225	11,770	-	-
Interfund	-	-	-	40,286	-
Intergovernmental	-	-	-	-	-
Total Assets	<u>9,363</u>	<u>84,420</u>	<u>78,004</u>	<u>40,286</u>	<u>-</u>
Liabilities and Fund Balances					
Liabilities:					
Payables:					
Accounts	-	1,835	2,544	-	8,001
Due to Local Governments	-	-	-	-	14,602
Salaries and Employee Benefits	-	-	-	-	2,284
Interfund	-	-	311	-	8,064
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,835</u>	<u>2,855</u>	<u>-</u>	<u>32,951</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	397	-	-	-
Unreserved, reported in:					
Special Revenue (Deficit)	<u>9,363</u>	<u>82,188</u>	<u>75,149</u>	<u>40,286</u>	<u>(32,951)</u>
Total Fund Balances (Deficit)	<u>9,363</u>	<u>82,585</u>	<u>75,149</u>	<u>40,286</u>	<u>(32,951)</u>
Total Liabilities and Fund Balances	<u>\$ 9,363</u>	<u>\$ 84,420</u>	<u>\$ 78,004</u>	<u>\$ 40,286</u>	<u>\$ -</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2009

Educational Management Information Systems	Early Entry Programs	OneNet Ohio	School Net Professional Development	Summer Intervention	Miscellaneous State Grants
\$ 9,496	\$ -	\$ -	\$ 370	\$ -	\$ 10,172
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,496</u>	<u>-</u>	<u>-</u>	<u>370</u>	<u>-</u>	<u>10,172</u>
-	-	-	-	-	-
-	-	-	-	-	-
4,687	3,727	-	-	7,420	630
<u>4,687</u>	<u>3,727</u>	<u>-</u>	<u>-</u>	<u>7,420</u>	<u>630</u>
-	-	-	-	-	-
<u>4,809</u>	<u>(3,727)</u>	<u>-</u>	<u>370</u>	<u>(7,420)</u>	<u>9,542</u>
<u>4,809</u>	<u>(3,727)</u>	<u>-</u>	<u>370</u>	<u>(7,420)</u>	<u>9,542</u>
<u>\$ 9,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ 10,172</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2009
(continued)

	Title VI-B Grant	Title III Grant	Title I Grant	Title VI Grant
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 1,604	\$ 26,548	\$ -
Receivables:				
Accounts	-	-	-	-
Interfund	-	-	-	-
Intergovernmental	-	888	35,558	-
Total Assets	<u>-</u>	<u>2,492</u>	<u>62,106</u>	<u>-</u>
Liabilities and Fund Balances				
Liabilities:				
Payables:				
Accounts	3,741	256	-	-
Due to Local Governments	33,342	-	393	-
Salaries and Employee Benefits	29,920	-	-	-
Interfund	-	-	63,903	4,720
Deferred Revenue	-	888	35,558	-
Total Liabilities	<u>67,003</u>	<u>1,144</u>	<u>99,854</u>	<u>4,720</u>
Fund Balances:				
Reserved for:				
Encumbrances	3,420	325	-	-
Unreserved, reported in:				
Special Revenue (Deficit)	<u>(70,423)</u>	<u>1,023</u>	<u>(37,748)</u>	<u>(4,720)</u>
Total Fund Balances (Deficit)	<u>(67,003)</u>	<u>1,348</u>	<u>(37,748)</u>	<u>(4,720)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2,492</u>	<u>\$ 62,106</u>	<u>\$ -</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2009

Drug-Free Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 1,152	\$ -	\$ -	\$ 3,103	\$ 211,237
-	-	-	-	12,995
-	-	-	-	40,286
-	-	6,864	962	44,272
<u>1,152</u>	<u>-</u>	<u>6,864</u>	<u>4,065</u>	<u>308,790</u>
-	-	586	-	16,963
-	-	-	-	48,337
-	-	23,880	-	56,084
1,094	1,563	11,135	277	107,531
-	-	6,864	962	44,272
<u>1,094</u>	<u>1,563</u>	<u>42,465</u>	<u>1,239</u>	<u>273,187</u>
-	-	-	-	4,142
58	(1,563)	(35,601)	2,826	31,461
58	(1,563)	(35,601)	2,826	35,603
<u>\$ 1,152</u>	<u>\$ -</u>	<u>\$ 6,864</u>	<u>\$ 4,065</u>	<u>\$ 308,790</u>

Monroe Local School District
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	Special Trust	Public School Support	Other Grant	Special Collections	District Managed Activities
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 18,142	\$ -	\$ -
Gifts and Donations	3,734	828	26,770	-	2,348
Extracurricular Activities	-	89,107	-	-	187,411
Miscellaneous	460	10,986	-	-	216
Total Revenues	4,194	100,921	44,912	-	189,975
Expenditures:					
Current:					
Instruction:					
Regular	1,849	26,665	3,548	-	-
Special	-	-	3,242	-	-
Support Services:					
Pupils	1,191	27,722	-	-	-
Instructional Staff	-	31,065	15,546	-	-
Administration	-	420	2,048	-	-
Operation and Maintenance of Plant	-	-	6,252	-	-
Pupil Transportation	-	1,367	-	-	-
Central	-	-	-	-	-
Extracurricular Activities	300	-	-	-	799,494
Total Expenditures	3,340	87,239	30,636	-	799,494
Excess (deficiency) of Revenues Over (Under) Expenditures	854	13,682	14,276	-	(609,519)
Other Financing Sources					
Transfers - In	-	-	-	-	552,009
Total Other Financing Sources	-	-	-	-	552,009
Net Change in Fund Balances	854	13,682	14,276	-	(57,510)
Fund Balances (Deficit) - beginning (restated)	8,509	68,903	60,873	40,286	24,559
Fund Balances (Deficit) - ending	\$ 9,363	\$ 82,585	\$ 75,149	\$ 40,286	\$ (32,951)

Monroe Local School District
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

Educational Management Information Systems	Early Entry Program	OneNet Ohio	School Net Professional Development	Summer Intervention	Miscellaneous State Grants
\$ 6,379	\$ 2,100	\$ 12,000	\$ -	\$ -	\$ 5,256
-	-	-	-	-	-
-	-	-	-	-	-
6,379	2,100	12,000	-	-	5,256
-	-	-	-	-	-
-	-	-	-	-	2,659
-	1,596	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,150	-	17,134	-	-	11,890
-	-	-	-	-	-
4,150	1,596	17,134	-	-	14,549
2,229	504	(5,134)	-	-	(9,293)
-	5,325	3,350	-	-	-
-	5,325	3,350	-	-	-
2,229	5,829	(1,784)	-	-	(9,293)
2,580	(9,556)	1,784	370	(7,420)	18,835
<u>\$ 4,809</u>	<u>\$ (3,727)</u>	<u>\$ -</u>	<u>\$ 370</u>	<u>\$ (7,420)</u>	<u>\$ 9,542</u>

Monroe Local School District
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009
(continued)

	Title VI-B Grant	Title III Grant	Title I Grant	Title VI Grant
Revenues:				
Intergovernmental	\$ 333,986	\$ 9,534	\$ 67,153	\$ 1,507
Gifts and Donations	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	333,986	9,534	67,153	1,507
Expenditures:				
Current:				
Instruction:				
Regular	-	-	21,565	4,317
Special	-	8,186	-	-
Support Services:				
Pupils	82,299	-	-	-
Instructional Staff	300,358	-	10,091	-
Administration	37,330	-	1,655	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	419,987	8,186	33,311	4,317
Excess (deficiency) of Revenues Over (Under) Expenditures	(86,001)	1,348	33,842	(2,810)
Other Financing Uses				
Transfers - In	47,982	-	-	946
Total Other Financing Uses	47,982	-	-	946
Net Change in Fund Balances	(38,019)	1,348	33,842	(1,864)
Fund Balances (Deficit) - beginning (restated)	(28,984)	-	(71,590)	(2,856)
Fund Balances (Deficit) - ending	<u>\$ (67,003)</u>	<u>\$ 1,348</u>	<u>\$ (37,748)</u>	<u>\$ (4,720)</u>

Monroe Local School District
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

Drug-Free Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 1,257	\$ 2,563	\$ 38,002	\$ 2,847	\$ 500,726
-	-	-	-	33,680
-	-	-	-	276,518
-	-	-	-	11,662
<u>1,257</u>	<u>2,563</u>	<u>38,002</u>	<u>2,847</u>	<u>822,586</u>
8,753	-	80,753	-	147,450
-	-	-	-	14,087
-	2,568	-	-	113,780
-	-	-	-	358,656
-	-	-	-	41,453
-	-	-	-	6,252
-	-	-	-	1,367
-	-	-	-	33,174
-	-	-	-	799,794
<u>8,753</u>	<u>2,568</u>	<u>80,753</u>	<u>-</u>	<u>1,516,013</u>
(7,496)	(5)	(42,751)	2,847	(693,427)
-	5	30,321	-	639,938
<u>-</u>	<u>5</u>	<u>30,321</u>	<u>-</u>	<u>639,938</u>
(7,496)	-	(12,430)	2,847	(53,489)
7,554	(1,563)	(23,171)	(21)	89,092
<u>\$ 58</u>	<u>\$ (1,563)</u>	<u>\$ (35,601)</u>	<u>\$ 2,826</u>	<u>\$ 35,603</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Major Debt Service Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$2,197,360	\$2,169,761	\$2,169,761	\$0
Intergovernmental	203,500	329,806	331,349	1,543
Total Revenues	<u>2,400,860</u>	<u>2,499,567</u>	<u>2,501,110</u>	<u>1,543</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration	0	0	308,431	(308,431)
Fiscal	41,500	33,203	33,203	0
Debt Service:				
Principal Retirement	850,000	948,000	948,000	0
Interest and Fiscal Charges	<u>1,327,780</u>	<u>1,294,077</u>	<u>1,443,471</u>	<u>(149,394)</u>
Total Expenditures	<u>2,219,280</u>	<u>2,275,280</u>	<u>2,733,105</u>	<u>(457,825)</u>
Net Change in Fund Balance	181,580	224,287	(231,995)	(456,282)
Fund Balances at Beginning of Year	<u>1,086,268</u>	<u>1,086,268</u>	<u>1,086,268</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$1,267,848</u></u>	<u><u>\$1,310,555</u></u>	<u><u>\$854,273</u></u>	<u><u>(\$456,282)</u></u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Special Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Gifts and Donations	\$6,000	\$3,734	\$3,734	\$0
Miscellaneous	1,000	460	460	0
Total Revenues	7,000	4,194	4,194	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	2,449	(2,449)
Support Services:				
Pupils	460	460	1,191	(731)
Extracurricular Activities	0	0	300	(300)
Total Expenditures	460	460	3,940	(3,480)
Excess of Revenues Over (Under) Expenditures	6,540	3,734	254	(3,480)
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	600	600	0
Total Other Financing Sources	0	600	600	0
Net Change in Fund Balance	6,540	4,334	854	(3,480)
Fund Balances at Beginning of Year	8,508	8,508	8,508	0
Fund Balances at End of Year	<u>\$15,048</u>	<u>\$12,842</u>	<u>\$9,362</u>	<u>(\$3,480)</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Public School Support			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$84,500	\$87,882	\$87,882	\$0
Gifts and Donations	0	828	828	0
Miscellaneous	9,971	11,065	11,371	306
Total Revenues	94,471	99,775	100,081	306
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	35,009	26,665	26,665	0
Support Services:				
Pupils	39,553	26,373	26,373	0
Instructional Staff	28,414	42,656	31,065	11,591
Administration	0	420	420	0
Pupil Transportation	239	1,367	1,367	0
Total Expenditures	103,215	97,481	85,890	11,591
Excess of Revenues Over Expenditures	(8,744)	2,294	14,191	11,897
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	1,734	1,734	0
Transfers Out	0	(1,734)	(1,734)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(8,744)	2,294	14,191	11,897
Fund Balances at Beginning of Year	66,670	66,670	66,670	0
Prior Year Encumbrances Appropriated	1,891	1,891	1,891	0
Fund Balances at End of Year	\$59,817	\$70,855	\$82,752	\$11,897

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Other Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$36,005	\$18,142	\$18,142	\$0
Gifts and Donations	20,500	15,000	15,000	0
Miscellaneous	1,000	0	0	0
Total Revenues	<u>57,505</u>	<u>33,142</u>	<u>33,142</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	10,504	1,743	1,743	0
Special	6,510	5,736	5,736	0
Support Services:				
Pupils	5,000	7,813	0	7,813
Instructional Staff	11,300	18,327	18,327	0
Administration	2,355	2,048	2,048	0
Operation and Maintenance of Plant	6,250	6,252	6,252	0
Total Expenditures	<u>41,919</u>	<u>41,919</u>	<u>34,106</u>	<u>7,813</u>
Net Change in Fund Balance	15,586	(8,777)	(964)	7,813
Fund Balances at Beginning of Year	57,816	57,816	57,816	0
Prior Year Encumbrances Appropriated	6,888	6,888	6,888	0
Fund Balances at End of Year	<u>\$80,290</u>	<u>\$55,927</u>	<u>\$63,740</u>	<u>\$7,813</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	District Managed Activities			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$167,927	\$187,411	\$187,411	\$0
Gifts and Donations	1,500	2,348	2,348	0
Miscellaneous	3,500	212	216	4
Total Revenues	<u>172,927</u>	<u>189,971</u>	<u>189,975</u>	<u>4</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities	<u>227,057</u>	<u>227,057</u>	<u>787,655</u>	<u>(560,598)</u>
Total Expenditures	<u>227,057</u>	<u>227,057</u>	<u>787,655</u>	<u>(560,598)</u>
Excess of Revenues (Under) Expenditures	(54,130)	(37,086)	(597,680)	(560,594)
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	1,188	1,188	0
Transfers In	0	0	568,911	568,911
Transfers Out	<u>0</u>	<u>(16,902)</u>	<u>(16,902)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(15,714)</u>	<u>553,197</u>	<u>568,911</u>
Net Change in Fund Balance	(54,130)	(52,800)	(44,483)	8,317
Fund Balances at Beginning of Year - restated	28,495	28,495	28,495	0
Prior Year Encumbrances Appropriated	<u>15,472</u>	<u>15,472</u>	<u>15,472</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>(\$10,163)</u>	<u>(\$8,833)</u>	<u>(\$516)</u>	<u>\$8,317</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Educational Management Information Systems			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$6,000	\$6,370	\$6,379	\$9
Total Revenues	6,000	6,370	6,379	9
<u>Expenditures:</u>				
Current:				
Support Services:				
Central	4,000	4,000	4,150	(150)
Total Expenditures	4,000	4,000	4,150	(150)
Net Change in Fund Balance	2,000	2,370	2,229	(141)
Fund Balances at Beginning of Year	7,267	7,267	7,267	0
Fund Balances at End of Year	<u>\$9,267</u>	<u>\$9,637</u>	<u>\$9,496</u>	<u>(\$141)</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Early Entry Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$13,600	\$2,100	\$2,100	\$0
Total Revenues	\$13,600	\$2,100	\$2,100	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	12,625	2,100	1,596	504
Total Expenditures	12,625	2,100	1,596	504
Excess of Revenues Over (Under) Expenditures	975	0	504	504
<u>Other Financing Sources:</u>				
Transfers In	0	0	5,325	5,325
Total Other Financing Sources	0	0	5,325	5,325
Net Change in Fund Balance	975	0	5,829	5,829
Fund Balances (Deficit) at Beginning of Year	(5,829)	(5,829)	(5,829)	0
Fund Balances (Deficit) at End of Year	(\$4,854)	(\$5,829)	\$0	\$5,829

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	OneNet Ohio			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
Total Revenues	12,000	12,000	12,000	0
<u>Expenditures:</u>				
Support Services:				
Central	12,000	12,000	17,134	(5,134)
Total Expenditures	12,000	12,000	17,134	(5,134)
Excess of Revenues Over (Under) Expenditures	0	0	(5,134)	(5,134)
<u>Other Financing Sources:</u>				
Transfers In	0	0	3,350	3,350
Total Other Financing Sources	0	0	3,350	3,350
Net Change in Fund Balance	0	0	(1,784)	(1,784)
Fund Balances at Beginning of Year	1,784	1,784	1,784	0
Fund Balances at End of Year	<u>\$1,784</u>	<u>\$1,784</u>	<u>\$0</u>	<u>(\$1,784)</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	School Net Professional Development			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Fund Balances at Beginning of Year	\$370	\$370	\$370	\$0
Fund Balances at End of Year	\$370	\$370	\$370	\$0

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Miscellaneous State Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$27,970	\$5,256	\$5,256	\$0
Total Revenues	27,970	5,256	5,256	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	0	3,000	2,659	341
Support Services:				
Central	17,000	33,000	11,890	21,110
Total Expenditures	17,000	36,000	14,549	21,451
Net Change in Fund Balance	10,970	(30,744)	(9,293)	21,451
Fund Balances at Beginning of Year	19,465	19,465	19,465	0
Fund Balances at End of Year	\$30,435	(\$11,279)	\$10,172	\$21,451

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Title VI-B Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$395,365	\$408,263	\$408,262	(\$1)
Total Revenues	395,365	408,263	408,262	(1)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	26,644	0	0	0
Support Services:				
Pupils	7,959	85,602	85,602	0
Instructional Staff	163,237	241,462	294,395	(52,933)
Administration	31,231	39,156	39,156	0
Total Expenditures	229,071	366,220	419,153	(52,933)
Excess of Revenues Over Expenditures	166,294	42,043	(10,891)	(52,934)
<u>Other Financing Sources:</u>				
Transfers In	0	0	47,982	47,982
Total Other Financing Sources	0	0	47,982	47,982
Net Change in Fund Balance	166,294	42,043	37,091	(4,952)
Fund Balances (Deficit) at Beginning of Year	(68,973)	(68,973)	(68,973)	0
Prior Year Encumbrances Appropriated	24,871	24,871	24,871	0
Fund Balances (Deficit) at End of Year	<u>\$122,192</u>	<u>(\$2,059)</u>	<u>(\$7,011)</u>	<u>(\$4,952)</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Title III Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$9,534	\$9,534	\$0
Total Revenues	0	9,534	9,534	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	10,422	10,422	8,511	1,911
Total Expenditures	10,422	10,422	8,511	1,911
Net Change in Fund Balance	(10,422)	(888)	1,023	1,911
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances (Deficit) at End of Year	<u>(\$10,422)</u>	<u>(\$888)</u>	<u>\$1,023</u>	<u>\$1,911</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Title I Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$57,710	\$83,430	\$83,430	\$0
Total Revenues	57,710	83,430	83,430	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	103,215	108,903	30,475	78,428
Support Services:				
Instructional Staff	3,826	9,698	9,698	0
Administration	2,986	2,886	2,886	0
Total Expenditures	110,027	121,487	43,059	78,428
Net Change in Fund Balance	(52,317)	(38,057)	40,371	78,428
Fund Balances (Deficit) at Beginning of Year	(21,140)	(21,140)	(21,140)	0
Prior Year Encumbrances Appropriated	7,316	7,316	7,316	0
Fund Balances (Deficit) at End of Year	(\$66,141)	(\$51,881)	\$26,547	\$78,428

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Title VI Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,915	\$2,847	\$2,847	\$0
Total Revenues	2,915	2,847	2,847	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,237	5,237	4,318	919
Total Expenditures	5,237	5,237	4,318	919
Excess of Revenues Over (Under) Expenditures	(2,322)	(2,390)	(1,471)	919
<u>Other Financing Sources:</u>				
Transfers In	0	0	946	946
Total Other Financing Sources	0	0	946	946
Net Change in Fund Balance	(2,322)	(2,390)	(525)	1,865
Fund Balances at Beginning of Year	443	443	443	0
Prior Year Encumbrances Appropriated	82	82	82	0
Fund Balances (Deficit) at End of Year	<u>(\$1,797)</u>	<u>(\$1,865)</u>	<u>\$0</u>	<u>\$1,865</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Drug-Free Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$4,804	\$8,171	\$8,171	\$0
Total Revenues	4,804	8,171	8,171	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,163	8,753	8,753	0
Support Services:				
Central	4,324	7,538	0	7,538
Total Expenditures	11,487	16,291	8,753	7,538
Net Change in Fund Balance	(6,683)	(8,120)	(582)	7,538
Fund Balances at Beginning of Year	(5,783)	(5,783)	(5,783)	0
Prior Year Encumbrances Appropriated	7,517	7,517	7,517	0
Fund Balances (Deficit) at End of Year	<u>(\$4,949)</u>	<u>(\$6,386)</u>	<u>\$1,152</u>	<u>\$7,538</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	EHA Preschool Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$3,252	\$2,563	\$2,563	\$0
Total Revenues	3,252	2,563	2,563	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils	2,563	2,563	2,568	(5)
Total Expenditures	2,563	2,563	2,568	(5)
Excess of Revenues Over Expenditures	689	0	(5)	(5)
<u>Other Financing Sources:</u>				
Transfers In	0	0	5	5
Total Other Financing Sources	0	0	5	5
Net Change in Fund Balance	689	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$689	\$0	\$0	\$0

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Improving Teacher Quality			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$40,094	\$53,892	\$54,012	\$120
Total Revenues	40,094	53,892	54,012	120
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	54,350	65,067	58,198	6,869
Support Services:				
Central	214	0	0	0
Total Expenditures	54,564	65,067	58,198	6,869
Excess of Revenues Over (Under) Expenditures	(14,470)	(11,175)	(4,186)	6,989
<u>Other Financing Sources:</u>				
Transfers In	0	0	30,321	30,321
Total Other Financing Sources	0	0	30,321	30,321
Net Change in Fund Balance	(14,470)	(11,175)	26,135	37,310
Fund Balances (Deficit) at Beginning of Year	(36,688)	(36,688)	(36,688)	0
Prior Year Encumbrances Appropriated	10,041	10,041	10,041	0
Fund Balances (Deficit) at End of Year	<u>(\$41,117)</u>	<u>(\$37,822)</u>	<u>(\$512)</u>	<u>\$37,310</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Miscellaneous Federal Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$551	\$3,087	\$2,967	(\$120)
Total Revenues	551	3,087	2,967	(120)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	1,178	1,399	0	1,399
Total Expenditures	1,178	1,399	0	1,399
Net Change in Fund Balance	(627)	1,688	2,967	1,279
Fund Balances at Beginning of Year	\$214	\$214	\$214	\$0
Fund Balances at End of Year	(\$413)	\$1,902	\$3,181	\$1,279

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009

	Permanent Improvement			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Interest	\$0	\$27	\$27	\$0
Rent	0	7,126	7,126	0
Gifts and Donations	13,000	175,000	175,000	0
Miscellaneous	0	0	0	0
Total Revenues	13,000	182,153	182,153	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	18,052	18,052	0
Support Services:				
Operation and Maintenance of Plant	0	20,494	20,494	0
Central	0	5,229	5,229	0
Extracurricular Activities	0	41,442	41,442	0
Capital Outlay	889,277	459,783	411,435	48,348
Total Expenditures	889,277	545,000	496,652	48,348
Excess of Revenues (Under) Expenditures	(876,277)	(362,847)	(314,499)	48,348
<u>Other Financing Sources</u>				
Face Value of Lease Purchase Agreement	0	365,000	365,000	0
Total Other Financing Sources	0	365,000	365,000	0
Net Change in Fund Balance	(876,277)	2,153	50,501	48,348
Fund Balances at Beginning of Year	82,111	82,111	82,111	0
Fund Balances (Deficit) at End of Year	(\$794,166)	\$84,264	\$132,612	\$48,348

Monroe Local School District
Butler County, Ohio
Combining Statement of Changes
in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 60,889	\$ 57,972	\$ 60,889	\$ 57,972
Total Assets	<u>60,889</u>	<u>57,972</u>	<u>60,889</u>	<u>57,972</u>
<u>Liabilities:</u>				
Accounts Payable	-	664	-	664
Due to Students	60,889	57,308	60,889	57,308
Total Liabilities	<u>\$ 60,889</u>	<u>\$ 57,972</u>	<u>\$ 60,889</u>	<u>\$ 57,972</u>

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Statistical Section



Comprehensive Annual Financial Report
Monroe Local School District
Monroe, Ohio
For the Fiscal Year Ended June 30, 2009

Monroe Local School District
Butler County, Ohio
Statistical Section Descriptions
June 30, 2009

This part of the School District's report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the School District's financial performance and situation have changed over time.	99-104
Revenue Capacity	
These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax and income tax.	105-108
Debt Capacity	
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	109-113
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within in which the School District's financial activities takes place.	114-115
Operating Information	
These schedules contain operational data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	116-120

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Monroe Local School District
Net Assets by Component
Last Nine Years
(accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 2,557,873	\$ 2,809,409	\$ 5,129,951	\$ 4,307,686	
Restricted	103,605	1,508,424	1,299,613	1,083,162	
Unrestricted (Deficit)	<u>(334,806)</u>	<u>(334,297)</u>	<u>(1,274,329)</u>	<u>(304,070)</u>	
<i>Total Governmental Activities Net Assets</i>	<u>\$ 2,326,672</u>	<u>\$ 3,983,536</u>	<u>\$ 5,155,235</u>	<u>\$ 5,086,778</u>	
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 10,825,911	\$ 1,983,542	\$ 16,917,919	\$ 4,622,375	\$ 1,134,589
Restricted	1,163,394	1,425,736	18,398,174	30,690,231	333,123
Unrestricted (Deficit)	<u>(5,526,512)</u>	<u>3,237,827</u>	<u>(24,919,174)</u>	<u>(25,265,125)</u>	<u>6,222,817</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$ 6,462,793</u>	<u>\$ 6,647,105</u>	<u>\$ 10,396,919</u>	<u>\$ 10,047,481</u>	<u>\$ 7,690,529</u>

Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Changes in Net Assets
 Last Nine Years
(accrual basis of accounting)

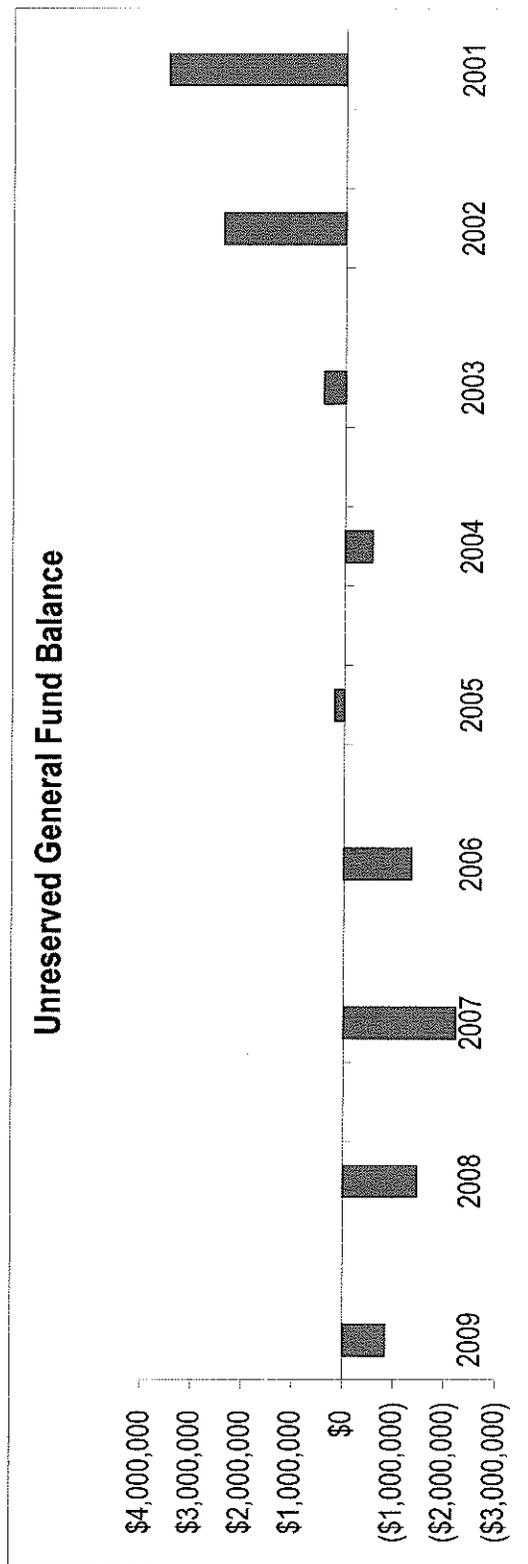
	2009	2008	2007
Expenses			
Governmental Activities:			
Instruction:			
Regular	\$ 10,334,336	\$ 9,962,807	\$ 8,644,854
Special	1,234,270	1,273,693	920,732
Other	35,221	33,521	51,873
Support Services:			
Pupils	850,125	956,942	744,215
Instructional Staff	1,008,308	710,573	592,121
Administration	1,611,985	1,600,549	1,409,912
Fiscal	623,938	529,038	458,825
Operation and Maintenance of Plant	2,456,252	1,599,746	1,986,607
Pupil Transportation	1,472,138	1,629,905	1,525,018
Other	695,471	662,487	444,335
Operation of Non-Instructional Services	0	2,370	0
Food Service	876,803	807,224	641,471
Extracurricular Activities	790,591	840,643	700,242
Interest and Fiscal Charges	1,516,964	1,501,000	2,250,281
<i>Total Governmental Activities Expenses</i>	<u>23,506,402</u>	<u>22,110,498</u>	<u>20,370,486</u>
Program Revenues			
Governmental Activities:			
Charges for Services:			
Instruction	912,989	1,108,087	1,285,807
Support Services	91,215	113,457	283,918
Other	806,357	829,901	790,422
Operating Grants and Contributions			
Instruction	136,797	202,431	110,942
Support Services	404,912	530,797	388,742
Other	346,474	352,831	155,235
<i>Total Governmental Activities Program Revenues</i>	<u>2,698,744</u>	<u>3,137,504</u>	<u>3,015,066</u>
Net (Expense)/Revenue	<u>(20,807,658)</u>	<u>(18,972,994)</u>	<u>(17,355,420)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes	11,794,566	11,080,062	11,606,358
Payments in Lieu of Taxes	674,093	384,064	45,096
Grants and Entitlements not Restricted to Specific Programs	7,222,395	6,070,229	5,533,951
Investment Earnings	42,726	113,977	176,566
Miscellaneous	335,415	152,963	61,906
<i>Total Governmental Activities</i>	<u>20,069,195</u>	<u>17,801,295</u>	<u>17,423,877</u>
Change in Net Assets	<u>\$ (738,463)</u>	<u>\$ (1,171,699)</u>	<u>\$ 68,457</u>

Note: The School District's first fiscal year was 2001.

	2006	2005	2004	2003	2002	2001
\$	8,062,675	\$ 6,384,722	\$ 9,363,182	\$ 6,100,248	\$ 5,657,380	\$ 5,416,205
	1,080,812	978,066	737,684	621,551	617,886	491,787
	27,362	35,871	31,826	26,022	4,423	14,274
	761,542	693,616	442,508	338,215	337,391	272,452
	593,733	726,411	678,043	492,059	384,017	303,573
	1,596,018	1,462,075	1,588,427	2,148,592	1,522,336	2,129,566
	478,179	570,726	418,860	364,544	382,097	323,677
	1,851,389	1,692,149	1,481,270	1,061,756	966,552	1,377,148
	1,806,213	1,419,220	1,594,786	987,331	1,068,600	826,485
	493,984	611,762	499,564	220,623	237,209	132,119
	15,174	0	3,610	22,704	0	26,859
	621,102	592,179	554,387	408,692	482,777	495,290
	730,188	712,576	582,667	668,963	482,164	451,839
	1,715,492	1,477,542	1,474,837	1,610,865	505,843	5,500
	<u>19,833,863</u>	<u>17,356,915</u>	<u>19,451,651</u>	<u>15,072,165</u>	<u>12,648,675</u>	<u>12,266,774</u>
	1,174,781	1,040,129	928,306	16,801	2,411	5,861
	513,087	349,684	23,982	30,150	0	4,611
	727,418	558,323	507,366	463,493	466,356	475,934
	356,994	321,349	274,507	238,212	89,681	277,746
	260,319	300,514	218,184	148,459	96,897	45,315
	131,941	120,759	128,928	69,156	65,067	111,994
	<u>3,164,540</u>	<u>2,690,758</u>	<u>2,081,273</u>	<u>966,271</u>	<u>720,412</u>	<u>921,461</u>
	<u>(16,669,323)</u>	<u>(14,666,157)</u>	<u>(17,370,378)</u>	<u>(14,105,894)</u>	<u>(11,928,263)</u>	<u>(11,345,313)</u>
	10,537,569	9,753,240	8,646,705	8,015,885	6,681,543	6,581,007
	-	31,179	35,080	72,974	-	-
	4,596,065	4,528,070	4,633,867	5,435,116	5,733,149	9,527,201
	113,721	86,970	79,041	844,174	758,245	186,759
	45,953	82,386	225,871	87,183	60,777	49,879
	<u>15,293,308</u>	<u>14,481,845</u>	<u>13,620,564</u>	<u>14,455,332</u>	<u>13,233,714</u>	<u>16,344,846</u>
\$	<u>(1,376,015)</u>	<u>(184,312)</u>	<u>(3,749,814)</u>	<u>\$ 349,438</u>	<u>\$ 1,305,451</u>	<u>\$ 4,999,533</u>

Monroe Local School District
Fund Balances, Governmental Funds
Last Nine Years
(modified accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund									
Reserved	\$201,181	\$458,054	\$411,485	\$215,409	\$171,969	\$139,151	\$187,065	\$185,919	\$1,079,485
Unreserved	(850,478)	(1,462,836)	(2,217,547)	(1,346,421)	195,456	(547,347)	423,848	2,415,346	3,515,117
Total General Fund	(649,297)	(1,004,782)	(1,806,062)	(1,131,012)	367,425	(408,196)	610,913	2,601,265	4,594,602
All Other Governmental Funds									
Reserved	342,156	439,551	442,917	227,380	149,567	1,581,647	7,409,493	232,404	251,842
Undesignated, Reported in:									
Special Revenue funds	1,501,869	1,112,980	2,590,016	2,117,812	2,072,432	4,453,835	4,495,145	3,357,394	2,100,462
Debt Service funds	854,275	2,036,814	1,237,113	1,026,503	1,036,405	827,987	662,243	30,824,664	0
Capital Projects funds	(1,503,412)	(1,495,693)	(1,614,684)	(1,592,948)	(2,116,906)	383,966	10,365,743	(1,022,742)	176,821
Total All Other Governmental Funds	1,194,888	2,093,652	2,655,362	1,778,747	1,141,498	7,247,435	22,932,624	33,391,720	2,529,125
Total Governmental Funds	\$545,591	\$1,088,870	\$849,300	\$647,735	\$1,508,923	\$6,839,239	\$23,543,537	\$35,992,985	\$7,123,727



Note: The School District's first fiscal year was 2001.

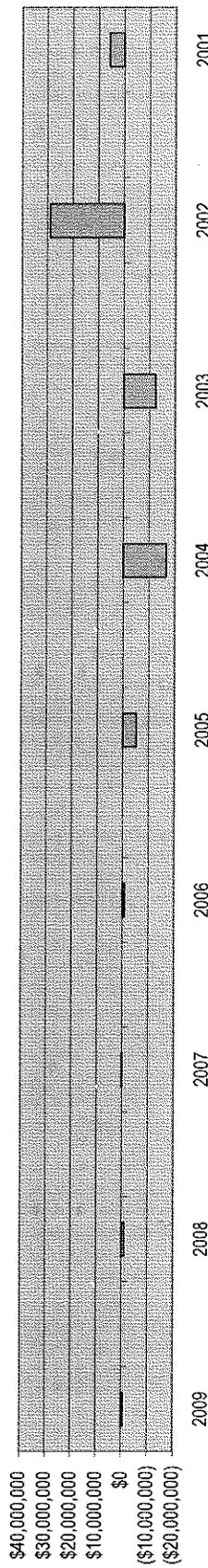
Monroe Local School District
 Changes in Fund Balances, Governmental Funds
 Last Nine Years
 (modified accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues									
Property and Other Local Taxes	\$11,643,644	\$11,080,062	\$11,606,358	\$10,537,569	\$9,753,240	\$8,680,906	\$8,034,776	\$6,681,543	\$6,581,007
Payment in Lieu of Taxes	674,093	384,064	45,096	0	0	0	0	0	0
Intergovernmental	7,944,595	6,988,099	6,183,952	5,326,374	5,269,429	5,293,583	5,816,112	5,984,794	9,889,474
Charges for Services	622,191	640,604	774,055	1,010,459	784,028	453,963	408,320	350,578	366,444
Tuition and Fees	874,207	1,054,661	1,239,606	1,139,529	1,019,506	912,526	6,677	2,411	6,328
Interest	42,726	113,977	176,566	113,721	86,970	89,402	844,174	753,474	186,759
Gifts and Donations	162,270	220,929	59,977	30,875	41,149	10,306	16,627	14,687	50,158
Extracurricular Activities	276,518	307,328	253,806	233,547	138,125	121,737	104,877	89,402	107,791
Miscellaneous	248,353	64,927	48,115	44,013	87,306	132,931	119,090	674,577	52,891
Total Revenues	22,488,597	20,854,651	20,387,531	18,436,087	17,179,753	15,695,354	15,350,653	14,551,466	17,240,852
Expenditures									
Current:									
Instruction:									
Regular	9,104,543	8,121,252	7,280,193	7,214,868	7,109,915	7,023,646	5,861,774	5,386,537	4,781,600
Special	1,242,163	1,261,537	915,844	1,076,466	978,126	753,247	598,984	587,916	458,044
Vocational/Other	38,395	33,521	51,873	27,362	35,871	31,826	26,022	4,423	14,274
Support Services									
Pupils	844,239	980,727	742,394	751,536	676,156	438,846	336,859	327,142	247,835
Instructional Staff	998,088	729,714	588,563	596,312	724,719	664,767	492,659	370,613	288,894
Administration	1,529,570	1,602,071	1,336,547	1,491,973	1,333,233	1,210,020	2,024,427	1,445,747	1,854,058
Fiscal	624,619	532,761	464,065	477,216	570,740	417,138	368,790	370,993	299,270
Operation and Maintenance of Plant	2,097,944	1,581,077	1,637,312	1,828,247	1,667,537	1,209,264	1,054,552	929,507	1,321,619
Pupil Transportation	1,472,138	1,629,905	1,525,018	1,806,213	1,409,319	1,245,053	969,154	1,009,525	772,940
Other	687,945	652,754	422,139	491,559	597,373	539,185	296,076	224,359	131,567
Operation of Non-Instructional Services	0	2,370	0	412	0	3,610	39,630	52,971	26,859
Food Service	939,342	804,883	638,625	623,195	586,423	543,254	413,088	413,290	447,957
Extracurricular Activities	841,670	888,317	702,882	724,567	730,093	581,881	667,678	464,305	436,892
Capital Outlay	432,638	624,868	281,359	780,017	7,594,946	16,256,446	12,518,946	3,035,468	717,091
Debt service:									
Principal Retirement	1,076,315	869,322	2,325,507	700,344	553,425	434,489	476,800	24,975	13,770
Interest and Fiscal Charges	1,458,866	1,490,002	1,638,567	1,629,733	1,430,049	1,395,681	1,671,763	949,714	5,500
Total Expenditures	23,388,475	21,805,081	20,550,888	20,220,020	25,997,925	32,748,353	27,817,202	15,597,485	11,818,170
Excess of Revenues Over (Under) Expenditures	(899,878)	(950,430)	(163,357)	(1,783,933)	(8,818,172)	(17,052,999)	(12,466,549)	(1,046,019)	5,422,682
Other Financing Sources (Uses)									

Monroe Local School District
 Changes in Fund Balances, Governmental Funds
 Last Nine Years
 (modified accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003	2002	2001
Proceeds from Sale of Assets/Lease Purchase Agreement	365,000	0	0	0	1,000	0	4,000	0	0
Payment to Escrow Agent	0	0	(20,780,910)	0	0	0	0	0	0
Face Value from Sale of Bonds and Long-Term Notes	0	0	19,640,000	922,745	3,603,733	0	0	29,915,000	0
Premium on Sale of Debt	0	0	1,505,832	0	0	0	0	0	138,701
Inception of Capital Lease	0	0	0	0	0	348,684	0	0	138,701
Transfers In	639,938	242,379	0	391,140	2,050,000	16,249	30,299,930	1,981,770	0
Transfers Out	(639,938)	(242,379)	0	(391,140)	(2,050,000)	(16,249)	(30,299,930)	(1,981,770)	0
Total Other Financing Sources (Uses)	365,000	0	364,922	922,745	3,604,733	348,684	4,000	29,915,000	277,402
Net Change in Fund Balances	(\$534,878)	(\$950,430)	\$201,565	(\$861,188)	(\$5,213,439)	(\$16,704,315)	(\$12,462,549)	\$28,868,981	\$5,700,084
Debt Service as a Percentage of Noncapital Expenditures	12.4%	12.3%	24.0%	13.5%	8.5%	6.0%	8.6%	6.9%	0.2%

Net Change in Fund Balance, Governmental Funds



Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Nine Collection (Calendar) Years (1)

District Fiscal Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Direct Rate	Ratio (2)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2001	\$ 140,816,870	\$ 402,333,914	\$ 46,137,078	\$ 184,548,312	\$ 27,046,052	\$ 77,274,434	\$ 214,000,000	\$ 664,156,660	\$ 43.36	32.22%
2002	151,923,850	434,068,143	46,656,747	186,626,988	16,426,920	46,934,057	215,007,517	667,629,188	43.36	32.20%
2003	185,913,360	531,181,029	42,599,402	170,397,608	17,055,300	68,221,200	245,568,062	769,799,837	41.88	31.90%
2004	196,489,230	561,397,800	39,359,323	157,437,292	16,628,630	66,514,620	252,477,183	785,349,612	40.68	32.15%
2005	193,759,870	553,599,628	34,495,894	137,983,576	16,170,540	64,682,160	244,426,304	756,265,364	40.05	32.32%
2006	220,220,720	629,202,057	37,369,161	149,476,644	16,293,870	65,175,480	273,883,751	843,854,181	40.32	32.46%
2007	241,433,090	689,808,829	33,472,177	133,888,708	16,331,030	65,324,120	291,236,297	889,021,657	44.87	32.76%
2008	248,875,860	711,073,886	21,707,771	88,831,084	16,710,730	18,989,466	287,294,361	816,894,436	44.28	35.17%
2009	294,924,470	842,641,343	22,815,331	91,261,324	16,944,650	19,255,284	334,684,451	953,157,951	43.53	35.11%

Source: Butler County Auditor

(1) Butler County Auditor property tax records are maintained on a calendar year basis.

(2) Ratio represents total assessed value/total estimated actual value.

Note: The School District's first fiscal year was 2001.

Monroe Local School District

Property Tax Rates (Per \$1,000 of Assessed Value)
 Direct and Overlapping Governments
 Last Eight Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009
Monroe Local School District	\$ 43.36	\$ 41.88	\$ 40.68	\$ 40.05	\$ 40.32	\$ 44.87	\$ 44.28	\$ 43.53
Butler County	8.75	8.75	8.74	8.74	9.44	10.95	10.45	9.75
City of Monroe	11.17	11.17	11.17	11.17	11.17	9.32	9.32	9.32
Lemon Township	0.00	0.00	0.00	0.00	0.00	0.60	0.60	0.6
Butler County JVS	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Total	\$ 65.21	\$ 63.73	\$ 62.52	\$ 61.89	\$ 62.86	\$ 67.67	\$ 66.58	\$ 65.13

Source: Butler County Auditor

Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Property Tax Levies and Collections - Real and Public Utility Property
 Last Eight Collection (Calendar) Years

District Fiscal Year	Taxes Levied for the Calendar Year (1)		Collected within the Calendar Year of the Levy		Collections from Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes to Tax Levied
	Amount	Percentage of Levy	Amount (2)	Percentage of Levy		Amount	Percent of Levy		
2002	\$ 6,817,618		\$ 6,041,296	88.61%	\$ 241,124	\$ 6,282,420	92.15%	\$ 272,801	4.00%
2003	7,862,646		7,051,228	89.68%	197,000	7,248,228	92.19%	118,044	1.50%
2004	8,072,603		7,154,201	88.62%	215,052	7,369,253	91.29%	504,511	6.25%
2005	8,803,893		8,524,186	96.82%	216,339	8,740,525	99.28%	567,879	6.45%
2006	9,186,205		8,925,516	97.16%	573,968	9,499,484	103.41%	254,600	2.77%
2007	11,548,337		10,703,364	92.68%	230,908	10,934,272	94.68%	868,665	7.52%
2008	10,967,636		10,185,675	92.87%	677,287	10,862,962	99.05%	973,339	8.87%
2009	11,928,856		10,802,110	90.55%	690,857	11,492,967	96.35%	1,078,013	9.04%

Source: Butler County Auditor

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Note: The District was part of the Middletown-Monroe School District until tax year 2000 (collection 2001).
 No information is obtainable for the District separately before 2001

Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Top Ten Principal Taxpayers
 Real and Personal Property

Current Year and Seven Years Ago

Name of Taxpayer	2009			2002		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy (Formerly - Cincinnati Gas & Electric Co.)	\$ 15,687,430	1	4.69%	\$ 13,622,110	1	6.34%
Ohio Presbyterian	7,311,040	2	2.18%	2,639,570	5	1.23%
Dayton Technologies	4,513,900	3	1.35%	12,327,950	2	5.73%
EPHS Investments LLC	4,319,170	4	1.29%	2,389,920	6	1.11%
KP Properties of Ohio	3,541,210	5	1.06%	-		0.00%
Worthington Steel	3,508,800	6	1.05%	3,428,730	4	1.59%
Duke Realty Ohio	2,970,330	7	0.89%	2,085,101	8	0.97%
Clark Cincinnati Inc.	2,249,620	8	0.67%	-		0.00%
Crystal Partners LLC	1,726,530	9	0.52%	-		0.00%
Baker Monroe Properties	1,710,650	10	0.51%	1,988,627	10	0.92%
Monroe Crossing Inc.	-		0.00%	2,053,360	9	0.96%
Deceuninck North America	-		0.00%	7,190,540	3	3.34%
Mount Pleasant Nursing Home	-		0.00%	2,100,320	7	0.98%
Total	\$ 47,538,680		14.20%	\$ 49,826,228		23.17%
Total Assessed Valuation	\$ 334,684,451			\$ 215,007,517		

Source: Butler County Auditor's Office

Note: The School District's first year was 2001 but the statistical section was not prepared and information is unknown.

Monroe Local School District

Ratio of Net General Bonded Debt to Assessed Value
And Net Bonded Debt per Capita and Personal Income
Last Nine Fiscal Years

Year	Population (1)	Total Assessed Value	Gross Bonded Debt (2)	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (%) (3)	Ratio of Net Bonded Debt to Estimated Value (%) (3)	Net Bonded Debt per Capita	Net Bonded Debt per Personal Income
2001	7,133	\$ 214,000,000	\$ -	\$ -	\$ -	0.00%	0.00%	N/A	N/A
2002	7,133	215,007,517	29,910,228	30,903,555	(993,327)	0.00%	0.00%	N/A	N/A
2003	7,133	245,568,062	29,460,228	708,653	28,751,575	11.71%	3.73%	4,031	1,247
2004	7,133	252,477,183	29,060,228	876,602	28,183,626	11.16%	3.59%	3,951	1,096
2005	7,133	244,426,304	28,595,229	1,127,240	27,467,989	11.24%	3.63%	3,851	968
2006	7,133	273,883,751	28,035,229	1,079,838	26,955,391	9.84%	3.19%	3,779	875
2007	7,133	291,236,297	25,735,229	1,278,020	24,457,209	8.40%	2.75%	3,429	893
2008	7,133	287,294,361	26,245,229	1,179,456	25,065,773	8.72%	3.07%	3,514	754
2009	7,133	334,684,451	31,704,167	909,421	30,794,746	9.20%	3.23%	4,317	not available

Sources: (1) Population within the City of Monroe. Figures are from the previous December 31 reporting date

(2) Gross bonded indebtedness does not include short term bond anticipation notes

(3) Ratio is less than \$0 and therefore not presented as such

Note: The School District's first fiscal year was 2001.

Monroe Local School District

Computation of Direct and Overlapping Debt
June 30, 2009

<u>Governmental Unit</u>	<u>Gross General Obligation Bonds (1)</u>	<u>Percent Applicable to District (2)</u>	<u>Amount Applicable to District</u>
Direct:			
Monroe Local School District	<u>\$ 31,704,167</u>	100%	<u>\$ 31,704,167</u>
Overlapping:			
Butler County (1)	58,498,514	3%	2,000,649
City of Monroe (1)	<u>5,940,000</u>	100%	<u>5,940,000</u>
Total Overlapping	<u>64,438,514</u>		<u>7,940,649</u>
Total Direct and Overlapping Debt	<u>\$ 96,142,681</u>		<u>\$ 39,644,816</u>

Source: (1) Monroe Local School District records, Butler County and City of Monroe 2007 financial reports.

(1) Only reflects bonded debt.

(2) The percent applicable was square mileage within the jurisdiction

Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Computation of Legal Debt Margin
 Last Eight Years

	2009	2008	2007	2006	2005	2004	2003	2002
Assessed Valuation of District	\$ 334,684,451	\$ 308,233,306	\$ 314,990,850	\$ 273,883,751	\$ 244,426,304	\$ 252,447,183	\$ 245,668,062	\$ 215,007,517
<u>Overall Direct Debt Limit</u>								
Direct Debt Limitation								
9% of assessed valuation (1)	\$ 30,121,601	\$ 27,741,005	\$ 28,349,177	\$ 24,649,538	\$ 21,998,367	\$ 22,720,246	\$ 22,101,126	\$ 19,350,677
Amount available in Debt Service Fund	909,421	1,112,880	1,278,020	1,079,838	1,095,436	876,602	708,653	30,903,555
Gross Indebtedness	31,704,167	32,505,798	32,119,193	32,499,707	32,191,769	29,060,228	29,460,228	59,825,228
Less Exempt Debt	(27,207,167)	(28,124,432)	(27,701,628)	(28,035,229)	(28,588,036)	(29,060,228)	(29,460,228)	(29,910,228)
General Obligation Bonds paid with Special Levy	4,497,000	4,381,366	4,417,565	4,464,478	3,603,733	-	-	29,915,000
Net Indebtedness	\$ 26,534,022	\$ 24,472,619	\$ 25,209,632	\$ 21,264,898	\$ 19,490,070	\$ 23,596,848	\$ 22,809,779	\$ 20,339,232
Legal Debt Margin within 9% Limitation								
Total Net Debt Applicable to the Limit	14.49%	15.18%	14.91%	17.35%	15.60%	0.00%	0.00%	59.53%
as a Percentage of the Limit								
<u>Energy Conservation Debt Limitation</u>								
Debt Limitation								
0.9% of assessed valuation (1)	\$ 3,012,160	\$ 2,774,100	\$ 2,834,918	\$ 2,464,954	\$ 2,199,837	\$ 2,272,025	\$ 2,210,113	\$ 1,935,068
<u>Unvoted Direct Debt Limitation</u>								
Unvoted Debt Limitation								
0.1% of assessed valuation (1)	\$ 334,684	\$ 308,233	\$ 314,991	\$ 273,884	\$ 244,426	\$ 252,447	\$ 245,568	\$ 215,008

Source: Monroe Local School District records

(1) Ohio Bond Law sets a limit of 9% for overall debt, 0.9% for Energy Conservation measures and 1/10 of 1% for unvoted debt.

Note: The School District's first fiscal year was 2001.

Monroe Local School District
Ratios of Outstanding Debt by Type
Last Nine Fiscal Years

Fiscal Year	General Obligation Bonds	Long Term Notes	Capital Leases	Total Primary Government	Percentage of Personal Income (a)	Percentage of Taxable Property Value (b)	Per Capita (a)
2001	\$ -	\$ -	\$ 124,931	\$ 124,931	0.10%	0.06%	\$ 17.51
2002	29,910,228	-	99,956	30,010,184	21.77%	13.96%	4,207.23
2003	29,460,228	-	73,156	29,533,384	19.79%	12.03%	4,140.39
2004	29,060,228	-	387,351	29,447,579	17.91%	11.66%	4,128.36
2005	28,595,229	3,603,733	298,926	32,497,888	17.72%	13.30%	4,555.99
2006	28,035,229	4,523,000	220,582	32,778,811	16.19%	11.97%	4,595.38
2007	25,735,229	4,473,000	150,075	30,358,304	13.82%	10.42%	4,256.04
2008	26,245,229	4,361,000	72,753	30,678,982	15.70%	10.68%	4,300.99
2009	25,415,229	4,243,000	309,438	29,967,667	12.63%	8.95%	4,201.27

Source: Monroe Local School District records

(a) Personal Income and population figures can be found on the Demographics Table
(b) Taxable Property Values can be found on the Assessed and Estimated Actual Value of Taxable Property Table

Note: The School District's first fiscal year was 2001.

Monroe Local School District

Ratio of Annual Debt Service Expenditures

For General Bonded Debt to Total General Government Expenditures

Last Nine Fiscal Years

<u>Fiscal Year</u>	<u>Principal(1)</u>	<u>Interest(1)</u>	<u>Total Debt Service</u>	<u>Total Expenditures</u>	<u>Ratio of Debt Service to General Expenditures (%)</u>
2001	\$ -	\$ -	\$ -	\$ 10,412,911	0.00%
2002	-	941,649	941,649	9,943,124	9.47%
2003	450,000	1,602,219	2,052,219	27,817,202	7.38%
2004	400,000	1,385,402	1,785,402	32,748,353	5.45%
2005	465,000	1,399,443	1,864,443	25,997,925	7.17%
2006	622,000	1,572,017	2,194,017	20,220,020	10.85%
2007	2,255,000	1,620,368	3,875,368	20,550,888	18.86%
2008	792,000	1,478,618	2,270,618	21,805,081	10.41%
2009	948,000	1,443,471	2,391,471	23,388,475	10.22%

Source: Monroe Local School District records

(1) Does not include capital lease payments recorded in the general fund

Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Demographic Statistics
 Last Eight Calendar Years

Year	Butler County Population (1)	Population of District (1)	School Enrollment (2)	Personal Income (4)	Personal Income Per Capita	Unemployment Rate		
						Butler County (3)	State of Ohio (3)	U.S.A. (3)
2000	332,807	7,133	1,466	\$ 119,008,609	\$ 16,684	3.00%	4.10%	4.00%
2001	337,013	7,133	1,381	137,822,902	19,322	3.20	4.30	4.80
2002	340,543	7,133	1,333	149,221,383	20,920	4.40	5.60	5.80
2003	343,207	7,133	1,350	164,412,661	23,050	4.50	5.80	5.60
2004	346,560	7,133	1,427	183,353,605	25,705	5.70	6.10	5.00
2005	350,412	7,133	1,558	202,404,969	28,376	6.00	5.10	4.60
2006	352,310	7,133	1,724	219,634,615	30,791	5.90	5.60	4.50
2007	357,276	7,133	2,025	195,371,841	27,390	6.50	6.60	5.5
2008	357,276	7,133	2,307	237,246,457	33,260	10.50	11.20	9.7

Sources: (1) City of Monroe records

(2) Monroe Local School District records

(3) Ohio Bureau of Employment Services as of June

(4) City of Monroe Income Tax Department. The City changed reported systems in 2007 which explains the difference between the 2006 and 2007 as not all the information could be generated.

Note: The School District's first fiscal year was 2001.

Monroe Local School District
Principal Employers
Current Year and Six Years Ago

2008		
Employer	Employees	Percentage of Total City Employment
CBS Personell Service, LLC	4,123	17.06 %
Kohl's Department Stores	1,727	7.15
Elite Labor Weekly, LTD	518	2.14
Ohio Presbyterian Retirement	494	2.04
Baker Concrete Construction	428	1.77
Monroe Local Schools	399	1.65
Deceuninck North America LLC*	372	1.54
Minute Men, INC	356	1.47
1 Force, LLC	329	1.36
Omega Warehouse Services	260	1.08
Total	9,006	37.27 %
Total City Employees	24,166	

2002		
Employer	Employees	Percentage of Total City Employment
Precision Packaging	468	3.94%
Ohio Presbyterian Retirement	388	3.27%
Kohl's Department Stores	357	3.00%
Dayton Technologies LLC	353	2.97%
Monroe Local Schools	315	2.65%
Xerox Corporation	255	2.15%
Worthington Industries	217	1.83%
West Chester Holdings	146	1.23%
Clark Cincinnati	139	1.17%
Baker Concrete Construction	95	0.80%
Total	2,733	23.00%
Total City Employees	11,883	

Source: City of Monroe, Ohio, Department of Income Tax

Note: The information is only available at calendar year-end. December 31,
2007 is the latest information available from the City of Monroe

Monroe Local School District

Full-Time Equivalent School Employees by Function/Program

Last Eight Fiscal Years

<u>Function/program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Current:								
Instruction:								
Regular	120	117	116	101	97	116	99	94
Special	14	16	13	12	13	11	11	1
Support Services								
Pupils	13	13	11	8	7	5	5	3
Instructional Staff	15	15	10	11	11	9	9	11
Administration	12	12	11	7	12	16	16	18
Fiscal	4	4	4	4	4	3	3	3
Operation and Maintenance of Plant	13	13	13	13	14	10	10	10
Pupil Transportation	0	0	0	0	1	1	0	0
Other	1	2	6	2	5	5	5	5
Food Service	21	21	17	16	17	14	14	12
Extracurricular Activities	2	2	2	2	2	2	2	1
Totals:	<u>215</u>	<u>215</u>	<u>203</u>	<u>176</u>	<u>183</u>	<u>192</u>	<u>174</u>	<u>158</u>

Source: Monroe Local School District Payroll Department

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee

Note: The School District's first fiscal year was 2001.

Monroe Local School District
 Operating Statistics
 Last Nine Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Economically Disadvantaged Percentage
2001	1,381	10,164,507	7,360	NA	90	15.4:1	11.6%
2002	1,333	11,440,274	8,583	16.6%	96	13.9:1	10.7%
2003	1,350	12,761,278	9,455	10.2%	100	13.5:1	15.4%
2004	1,427	14,247,142	9,987	5.6%	98	14.6:1	15.4%
2005	1,558	16,127,925	10,352	3.7%	102	15.3:1	16.1%
2006	1,724	16,529,482	9,586	-7.4%	102	16.9:1	16.1%
2007	2,025	15,775,587	7,792	-18.7%	102	19.9:1	16.9%
2008	2,166	17,977,638	8,301	6.5%	115	18.8:1	24.6%
2009	2,307	18,823,526	8,159	-1.7%	124	18.7:1	22.5%

(1) Operating expenditures for the General and Emergency levy funds only on a cash basis.

Note: The School District's first fiscal year was 2001.

Source: Monroe Local School District Records

Monroe Local School District
 School Building Information
 Last Eight Fiscal Years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003*	2002
CAPITAL ASSETS USED BY FUNCTION								
Current:								
Instruction:								
Regular	\$ 1,242,053	\$ 1,286,041	\$ 1,371,483	\$ 703,395	\$ 376,690	\$ 196,987	\$ 191,107	\$ 196,081
Special	4,481	4,311	3,431	2,832	2,225	1,553	28	17,592
Support Services								
Pupils	1,386	780	1,037	1,060	583	280	280	9,868
Instructional Staff	6,528	5,837	667	667	667	666	55	10,727
Administration	2,199	72,802	4,852	4,507	3,721	3,528	2,532	72,941
Fiscal	2,698	2,074	897	817	657	657	55	11,585
Operation and Maintenance of Plant	38,787	23,025	23,559	23,688	23,605	17,093	5,002	49,771
Pupil Transportation	-	-	-	-	9,901	10,801	20,847	28,318
Other	28,344	48,106	47,215	45,832	37,173	26,829	4,316	-
Food Service	15,570	2,587	2,822	2,900	3,663	4,426	1,839	16,733
Extracurricular Activities	23,363	18,140	9,339	8,014	4,533	1,289	73	15,446
Totals	\$ 1,365,409	\$ 1,463,703	\$ 1,465,302	\$ 793,712	\$ 463,418	\$ 264,109	\$ 226,134	\$ 429,062

* The District completed an appraisal during 2003 to properly reflect the asset split from the joint Middletown-Monroe District

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
COST PER STUDENT								
Current:								
Instruction:								
Regular	\$ 4,496	\$ 4,010	\$ 4,223	\$ 4,631	\$ 4,982	\$ 5,203	\$ 4,397	\$ 3,900
Special	613	623	531	691	685	558	449	426
Vocational/Other	19	17	30	18	25	24	20	3
Support Services								
Pupils	417	484	431	482	474	325	253	237
Instructional Staff	493	360	341	383	508	492	370	268
Administration	755	791	775	958	934	896	1,519	1,047
Fiscal	308	263	269	306	400	309	277	269
Operation and Maintenance of Plant	1,036	781	950	1,173	1,169	896	791	673
Pupil Transportation	727	805	885	1,159	988	922	727	731
Other	340	322	245	316	419	399	222	162
Operation of Non-Instructional Services	-	-	-	-	-	3	30	38
Food Service	464	397	370	400	411	402	310	299
Extracurricular Activities	416	439	408	465	512	431	501	336
Capital Outlay	214	309	163	501	5,322	12,042	9,392	2,198
Debt service:								
Principal Retirement	532	429	1,349	450	388	322	358	18
Interest and Fiscal Charges	720	736	950	1,046	1,002	1,034	1,254	688
Totals	\$ 11,550	\$ 10,767	\$ 11,920	\$ 12,978	\$ 18,219	\$ 24,258	\$ 20,868	\$ 11,294

Note: The School District's first fiscal year was 2001.
 Source: Monroe Local School District Records

Monroe Local School District

School Building Information

Last Nine Fiscal Years

	Fiscal Year								
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Monroe Primary									
Square Feet	NA	NA	NA	NA	NA	NA	NA	42,327	42,327
Enrollment	NA	NA	NA	NA	NA	NA	NA	85	474
Monroe Elementary									
Square Feet	44,638	44,638	44,638	44,638	64,255	64,255	64,255	64,255	64,255
Enrollment	584	611	647	709	794	888	1,033	1,037	691
Monroe Junior High									
Square Feet					23,127	23,127	23,127	23,127	23,127
Enrollment	180	176	229	258	274	298	323	328	339
Monroe High									
Square Feet	153,118	153,118	153,118	153,118	176,255	176,255	176,255	176,255	176,255
Enrollment	617	546	474	461	506	539	668	716	689

Note: The School District's first fiscal year was 2001.

Source: Monroe Local School District Records

Monroe Local School District

Miscellaneous Statistical Data

June 30, 2009

Total Census Population	7,133	<u>Building Information</u>	<u>Square Footage</u>
Total Estimated 2007 Population	11,200		
Original Charter:	1999	Primary School	
Area of District:	20 square miles	including modulars	48,000
Number of Miles Traveled by Transportation		Elementary School	48,000
Fleet for the Fiscal 2007 School Year:	229,400	Junior High School	15,000
		High School	160,000
Number of Meals Served by Food Service		Central Office	3,000
Department for the Fiscal 2007 School Year:	538,591		
Percentage of Students with Free Lunch	15%		
Percentage of Students with Reduced Lunch	4%		

Student to Teacher Ratio - Classroom	18.05 to 1
Student to Teacher Ratio - Special Education	14.29 to 1

<u>School</u>	<u>Grade Level</u>	<u>Enrollment</u>
Monroe Primary	PreK - 2	600
Monroe Elementary	6-Mar	689
Monroe Junior High	7-8	341
Monroe Senior High	9-12	677
Total		<u><u>2,307</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	31	23.13%
Bachelor + 1	7	5.22%
Bachelor + 30	10	7.46%
Masters	61	45.52%
Masters + 20	8	5.97%
Masters + 30	17	12.69%
Total	<u><u>134</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	42	31.35%
6 - 10	34	25.37%
11 - 15	24	17.91%
16 - 20	18	13.43%
21 - 25	8	5.97%
26 and over	8	5.97%
Total	<u><u>134</u></u>	<u><u>100.00%</u></u>

Sources: Monroe Local School District records

Issued by the Treasurer's Office

Monroe Local School District
Kelley Thorpe, Treasurer
231 Macready Avenue
Monroe, Ohio 45050
(513) 539-2536

www.monroelocalschools.com

Comprehensive Annual Financial Report
Monroe Local School District
Monroe, Ohio
For the Fiscal Year Ended June 30, 2009



Mary Taylor, CPA
Auditor of State

MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 2, 2010