



MONROE LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2010



Dave Yost • Auditor of State

Board of Education
Monroe Local School District
500 Yankee Road
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, 2009 through June 30, 2010. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

May 16, 2012

This page intentionally left blank.

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 That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	4 – 5
Schedule of Findings and Questioned Costs.....	6 – 9
Schedule of Prior Audit Findings.....	10 - 11

MONROE LOCAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

<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.S. Department of Agriculture:				
<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	\$ 29,730	29,730
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2010	10.553	37,531	37,531
National School Lunch Program	LLP4-2010	10.555	222,086	222,086
Nutrition Cluster Total			<u>289,347</u>	<u>289,347</u>
Total U.S. Department of Agriculture			<u>289,347</u>	<u>289,347</u>
U.S. Department of Education:				
<i>(Passed through Ohio Department of Education)</i>				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	-	393
Title I Grants to Local Educational Agencies	C1S1-2010	84.010	132,878	154,508
ARRA - Title I Grants to Local Educational Agencies	C1S1-2010	84.389	45,725	47,263
Title I, Part A Cluster Total			<u>178,603</u>	<u>202,164</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2009	84.027	-	61,003
Special Education - Grants to States	6BSF-2010	84.027	367,865	375,565
Special Education - Preschool Grants	PGS1-2009	84.173	2,688	2,688
ARRA - Special Education - Grants to States	6BSF-2010	84.391	172,651	122,620
ARRA - Special Education - Preschool Grants	PGS1-2010	84.392	15,641	15,641
Special Education Cluster Total			<u>558,845</u>	<u>577,517</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2010	84.186	2,771	839
Title III English Language Acquisition Grant	T3-2009	84.365	-	2,593
Title III English Language Acquisition Grant	T3-2010	84.365	18,821	10,490
			<u>18,821</u>	<u>13,083</u>
Education Technology State Grants	TJS1-2010	84.318	1,709	1,922
Improving Teacher Quality State Grants	TRS1-2009	84.367	-	588
Improving Teacher Quality State Grants	TRS1-2010	84.367	42,641	33,230
			<u>42,641</u>	<u>33,818</u>
ARRA - State Fiscal Stabilization - Education State Grant	ARRA-2010	84.394	331,303	331,303
Total U.S. Department of Education			<u>1,134,693</u>	<u>1,160,646</u>
Total Federal Awards			<u>\$ 1,424,040</u>	<u>1,449,993</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 - 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 were engaged to audit 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, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated April 3, 2012 wherein we noted the School District has restated previously-issued financial statements due to accounting errors. Our report also indicated that because we did not obtain written representations from the Superintendent and Treasurer, we did not express any opinion on the financial statements.

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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurances that all deficiencies, significant deficiencies, or material weakness have been identified. However, as described in the accompany schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2010-1 to be a material weakness.

A significant deficiency is a deficiency, or combination of control deficiencies in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-2 to be a significant deficiency.

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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2010-3, 2010-4 and 2010-6.

We noted certain matters that we reported to management of the School District in a separate letter dated December 29, 2010.

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

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 these specified parties.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
April 3, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON
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 Monroe Local School District's ("School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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 School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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 2010-5.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-5. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School 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 were engaged to audit 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, 2010, and have issued our report thereon dated April 3, 2012. 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. Because we were unable to obtain written representations from the Superintendent and Treasurer, it is inappropriate to and we do not express an opinion on the supplementary information.

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 these specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
April 3, 2012

MONROE LOCAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2010

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Disclaimed
Internal control over financial reporting:	
• Material weakness(es) identified?	yes
• 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
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	yes

Identification of major programs:

- Special Education Cluster:
 - CFDA 84.027 – *Special Education – Grants to States*
 - CFDA 84.173 – *Special Education – Preschool Grants*
 - CFDA 84.391 – *ARRA-Special Education – Grants to States*
 - CFDA 84.392 – *ARRA-Special Education – Preschool Grants*
- CFDA 84.394 – *ARRA-State Fiscal Stabilization Fund – Education State Grants*

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

Section II – Financial Statement Findings

Finding 2010-1 – Restatement of Financial Statements

As disclosed in Note 20 of the financial statements, the School District restated governmental activities net assets and certain fund balances as of June 30, 2009. The School District determined capital assets previously reported were understated by \$6,934,053 as the School District had incorrectly capitalized construction in progress on its building projects in the fiscal years ending June 30, 2007 and 2006 and also miscalculated depreciation due to errors in the useful lives of capital assets in its software system. Also, by the use of confirmation with the financial institution, it was determined the School District had overstated its long-term notes payable due to not correctly recording a principal payment in the amount of \$109,000 in prior years. Furthermore, the School District had several advances that had been outstanding for several years and the School District determined that the advances should have been recorded as transfers rather than advances as the funds had no continuing revenue stream to repay the advances. A prior period adjustment to fund balances was made to accurately account for the elimination of the advances. Finally, subsequent to year-end and the issuance of the financial statements, management determined the School District made errors in the accounting for payments on long-term obligations which necessitated prior period adjustments to the financial statements and the reissuance of the financial statements. Prior period adjustments to financial statements are an indicator of deficiencies in internal control over financial reporting.

Management Response: *Management concurs with the finding.*

Finding 2010-2 – Audit Adjustments

During the course of our audit, we identified a number of 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. Audit adjustments were necessary to correct errors in the School District's conversion process. A description of each adjustment follows:

- **Intergovernmental Payables:** An audit adjustment was necessary to correct an overstatement of \$50,831 in Other Governmental funds at June 30, 2010.
- **Tax Increment Financing (TIF) Receivable:** An audit adjustment was necessary to correct an understatement of \$1,509,392 in the General Fund at June 30, 2010. The School District did not report a TIF receivable at June 30, 2010.

We also proposed audit adjustments to correct the posting of taxes revenue in the financial statements. The School District had a posting error on its books which resulted in taxes revenue being understated and intergovernmental revenues being overstated but had no net effect on revenues. Our adjustment reclassified intergovernmental revenue to taxes revenue in the Debt Service Fund and Emergency Levy fund in the amounts of \$102,884 and \$184,332 respectively.

Management Response: *Management concurs with the finding.*

Finding 2010-3 – 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, 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 2010-4 – 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 funds 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.*

Finding 2010-6 – Use of Revenues

Ohio Revised Code Section 5705.10(H) requires that money paid into any fund shall be used only for the purposes for which such fund is established. Contrary to this requirement, the School District paid non-voted debt obligations from its Debt Service Fund which was created to record tax revenues and expenditures related to voted general obligation debt. As of June 30, 2010, the School District has made payments totaling \$2,098,306 from the Debt Service Fund which should have been paid for by the General Fund.

Management Response: *Management concurs with the finding.*

Section III – Federal Award Findings and Questioned Costs

U.S. DEPARTMENT OF EDUCATION

Finding 2010-5 - ARRA - Special Education Cluster (CFDA No. 84.391 and CFDA No. 84.392) and ARRA - State Fiscal Stabilization Fund (CFDA No. 84.394)

Condition: We performed tests to determine if the School District was properly reporting vendors that received a single payment, from a single ARRA grant, in excess of \$25,000 to the Ohio Department of Education (ODE) on the 1512 ARRA Subrecipient Vendor report. We noted two payments to vendors which appear to meet the criteria to be reported in accordance with ODE 1512 ARRA Subrecipient Vendor reporting requirements, but were not reported.

Criteria: American Recovery and Reinvestment Act of 2009 (ARRA), Section 1512 (b) & (c) requires any entity that receives certain Recovery funds directly from the Federal government to submit a report to the Federal Agency not later than 10 days after the end of each calendar quarter in which the Federal Recovery funds were received. The School District did not receive direct ARRA funding. However, the Ohio Department of Education's American Recovery and Reinvestment Act Reporting Guidance states that ODE, as a prime recipient of ARRA funding, is required to report quarterly to the federal government data on ARRA programs. Further, the ODE's reporting guidance indicates that ODE distributes ARRA funds to local educational agencies (LEAs) as subrecipients and must collect quarterly data from LEAs to meet the 1512 reporting requirements associated with ARRA funding. Thus, the 1512 reporting requirements filter down to the School District and the School District is required to report certain information to ODE. Among the items to be reported, the vendor name and zip code are required for each vendor that received a single payment, from a single ARRA grant, in excess of \$25,000.

Effect: The failure to properly report 1512 information in accordance with program requirements could cause the ODE's 1512 reporting to be inaccurate.

Cause: The School District did not implement specific procedures to ensure that all vendors receiving single payments of \$25,000, from a single ARRA grant, were reported on the ODE 1512 ARRA Subrecipient Vendor report on a quarterly basis.

Recommendation: We recommend the School District implement procedures to ensure that all vendors receiving single payments of \$25,000 are reported on the ODE 1512 ARRA Subrecipient Vendor report 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, 2010

Financial Statement Prior Year 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.

Status: Audit adjustments noted during the audit. Finding will be re-issued as Finding 2010-2

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.

Status: Repeated as Finding 2010-3

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.

Status: Repeated as Finding 2010-4

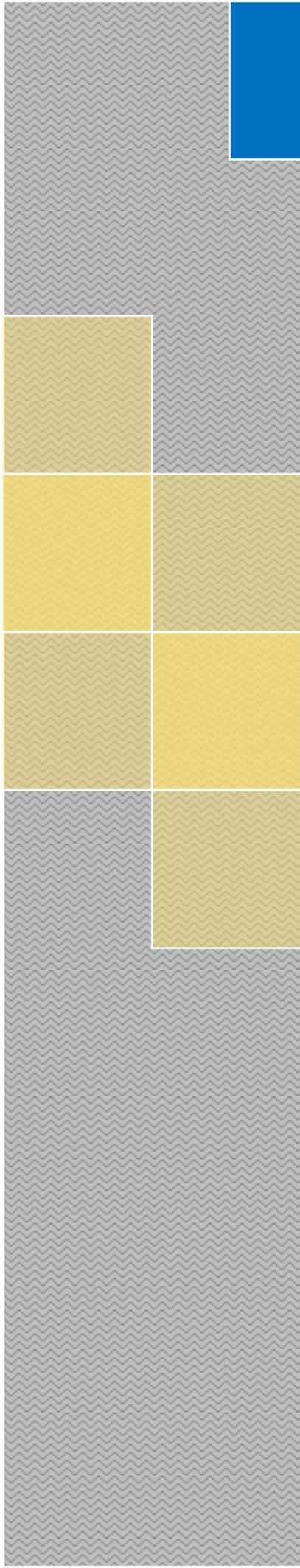
MONROE LOCAL SCHOOL DISTRICT
Schedule of Prior Audit Findings (continued)
Year Ended June 30, 2010

Federal Award Prior Year Finding:

Finding 2009-4 – Allowable Costs/Cost Principles for Special Education Cluster (CFDA No. 84.027 and CFDA 84.173).

During the prior audit, it was noted that the School District did not properly complete on a semi-annual basis the certifications required for employees expected to work solely on a single Federal award or cost objective.

Status: *Corrected.*



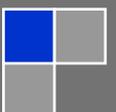
Comprehensive Annual Financial Report

Monroe Local School District

Monroe, Ohio

For the Fiscal Year Ended June 30, 2010

Kelley Thorpe, Treasurer

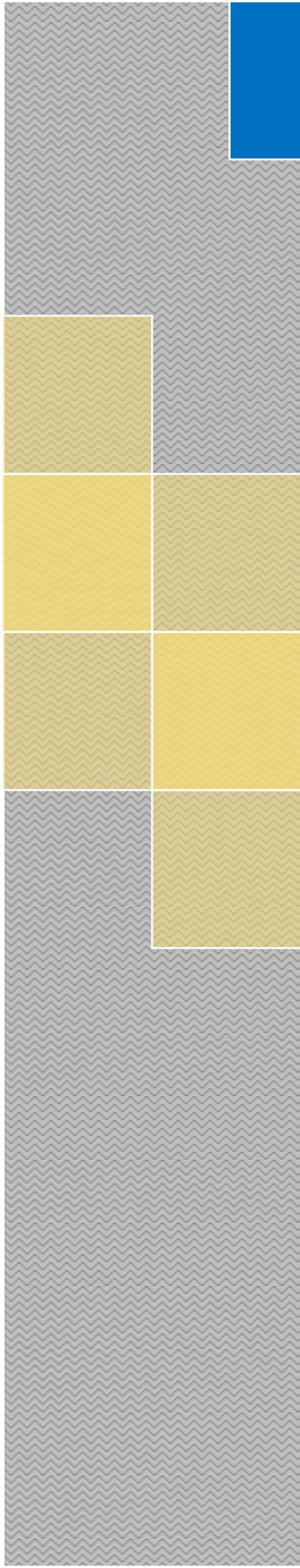


Monroe Local School District
Butler County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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, 2010

Kelley Thorpe, Treasurer



This page intentionally left blank.

***Monroe Local School District
Butler County, Ohio
June 30, 2010***

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 Fiduciary Assets and Liabilities - Fiduciary Fund	24
Notes to the Basic Financial Statements	25

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

Table of Contents

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Funds:

Fund Descriptions	59
Combining Balance Sheet – Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	63
Combining Balance Sheet – Nonmajor Special Revenue Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	68

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

Food Service	72
Special Trust	73
Public School Support	74
Other Grant	75
District Managed Activities	76
Education Management Information Systems	77
Early Entry Grant	78
OneNet Ohio	79
School Net Professional Development	80
Miscellaneous State Grants	81
Title VI-B Grant	82
ARRA Stabilization Funds	83
Title IID Grant	84
Title III Grant	85
Title I Grant	86
Drug-Free Grant	87
EHA Preschool Grant	88
Improving Teacher Quality Grant	89
Miscellaneous Federal Grants	90
Debt Service	91
Permanent Improvement	92

Combining Statement of Changes in Assets and Liabilities – Agency Fund	93
--	----

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

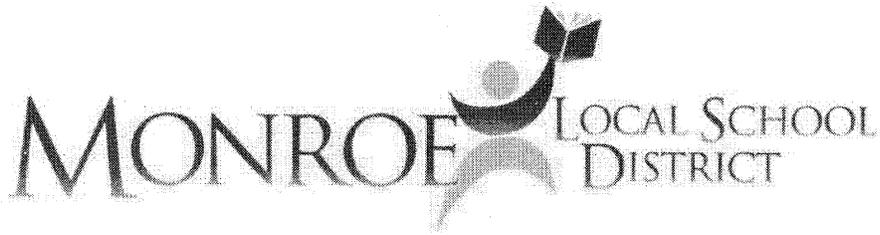
Table of Contents

III. Statistical Section	
Descriptions	95
Net Assets by Component – Last Ten Years	97
Changes in Net Assets – Last Ten Years	98
Fund Balances, Governmental Funds – Last Ten Years	100
Changes in Fund Balances, Governmental Funds – Last Ten Years	101
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection (Calendar) Years	103
Property Tax Rates (Per \$1,000 of Assessed Valuation) - Direct and Overlapping Governments - Last Ten Collection (Calendar) Years	104
Property Tax Levies and Collections – Real and Public Utility Property - Last Ten Collection (Calendar) Years	105
Top Ten Principal Taxpayers – Real and Personal Property – Current Year and Eight Years Ago	106
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita and Personal Income- Last Ten Fiscal Years	107
Computation of Direct and Overlapping Debt	108
Computation of Legal Debt Margin – Last Nine Years	109
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	110
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Government Expenditures - Last Ten Fiscal Years	111
Demographic Statistics - Last Ten Calendar Years	112
Principal Employers – Current Year and Seven Years Ago	113

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

Table of Contents

Full Time Equivalent School Employees by Function/Program – Last Nine Years	114
Operating Statistics – Last Ten Fiscal Years	115
School Building Information (1) – Last Nine Fiscal Years	116
School Building Information (2) – Last Ten Fiscal Years	117
Miscellaneous Statistical Data	118



Elizabeth J. Lolli, Ph.D., Superintendent

Kelley Thorpe, Treasurer

December 29, 2010

Central Office

500 Yankee Road
Monroe OH 45050
513-539-2536
513-539-2648

Monroe Sr. High

220 Yankee Road
Monroe OH 45050
513-539-8471
513-539-8474

Monroe Jr. High

210 Yankee Road
Monroe OH 45050
513-539-8101
513-539-8474

Monroe Elementary

230 Yankee Road
Monroe OH 45050
513-539-8101
513-539-8151

Monroe Primary

225 Macready Ave
Monroe OH 45050
513-360-0700
513-360-0720

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, 2010. 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.

The Monroe Local School District is an Equal Opportunity Employer

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 12,500 people in 2010.

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 (51% industrial and commercial). The one and one-half percent income tax generated \$5,769,923 (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 recently saw the opening of a new outlet mall, a distribution warehouse, and a car lot .

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.

In 2010, the Monroe Local School District passed another milestone by achieving an Excellent rating on the State of Ohio report card.

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>
Mike Lane President	2011
Chris Snyder Vice President	2011
Brett Guido	2013
John MacDonald	2013
Leslie Stone	2013

Enrollment

Enrollment for the Monroe Local School District was 2,314 students for 2009-2010

Monroe Primary School	(Pre-K – Grade 2)	576
Monroe Elementary School	(3-6)	704
Monroe Junior High School	(7-8)	371
Monroe Senior High School	(9-12)	663

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)

2010-11	2,360
2011-12	2,407
2012-13	2,455
2014-15	2,504
2015-15	2,554

District Report Card

On the 2010 report card, Monroe Local School District received an EXCELLENT rating having met 26 of 26 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 26 of 26 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 100.2.

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 2009/2010 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 2009-2010, Monroe met the expected growth for this indicator.

District Goals

- Improve academic performance as measured by the required state testing instruments and student observable performance.
- Improve and strengthen communication between and among all stakeholders.
- Develop a facilities plan for the next 3 years.
- Insure fiscal responsibility.

Monroe Primary Goals

-Improve the academic performance of each student as measured by the OAT in Reading by 3-5% by 2010-2011.

-Improve the academic performance of each student as measured by the OAT in math by 3-5% by 2010-2011.

Monroe Elementary Goals

-Improve the academic performance of each student as measured by the OAT in Reading by 3-5% by 2010-2011.

-Improve the academic performance of each student as measured by the OAT in math by 3-5% by 2010-2011.

-Improve the climate between staff, students and parents as measured by surveys for parents, OLWEUS, and SWIS data.

Monroe Junior High Goals

-Improve the academic performance of each student as measured by the OAT in Reading by 3-5% by 2010-2011.

-Improve the academic performance of each student as measured by the OAT in math by 3-5% by 2010-2011.

-Improve the building climate for all stakeholders as measured by improving attendance by 3-5% and reducing discipline referrals by 5-10% by 2010-2011.

Monroe High School

-Improve the academic performance of each student as measured by the OGT in Reading by 3-5% by 2010-2011.

-Improve the academic performance of each student as measured by the OGT in math by 3-5% by 2010-2011.

Curriculum Initiatives

The District continues to refine the balanced literacy classroom practice. Language Arts teachers continue to receive professional development on the implementation of the balanced literacy framework. Improved test results in most District classrooms indicate that the framework is appropriate and cause for reading improvements.

The District also continues to work on the implementation of the recently adopted math series (Investigations and Connected Math). Teachers continue to explore a variety of ways to make the classrooms more technologically advanced and mathematically challenging. New Smart Pads are used in the Junior High math classrooms. High school math teachers have attended professional development related to teaching math in a 21st century classroom.

The District continues its work on 21st century skills. Several staff members participated in a variety of 21st century professional development opportunities. The high school and junior high staffs have begun to develop 21st century lesson plans. This work will continue through the next several years.

Technology

The District technology committee continues to explore hardware and software options for the classroom. Technology continues to be upgraded as funding permits. All primary, elementary and junior high classrooms have document cameras and projectors. Several classrooms at the high school level also have document cameras and projectors. The District continues to provide e-Beams for use of smart technologies in classrooms that can support the use of smart technology. The district continues to update and replace obsolete and broken computers as funding permits.

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 2010, the School District earned \$14,841 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 105 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, 2010. 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, 2009. 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, 2009.

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, 2010.

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***

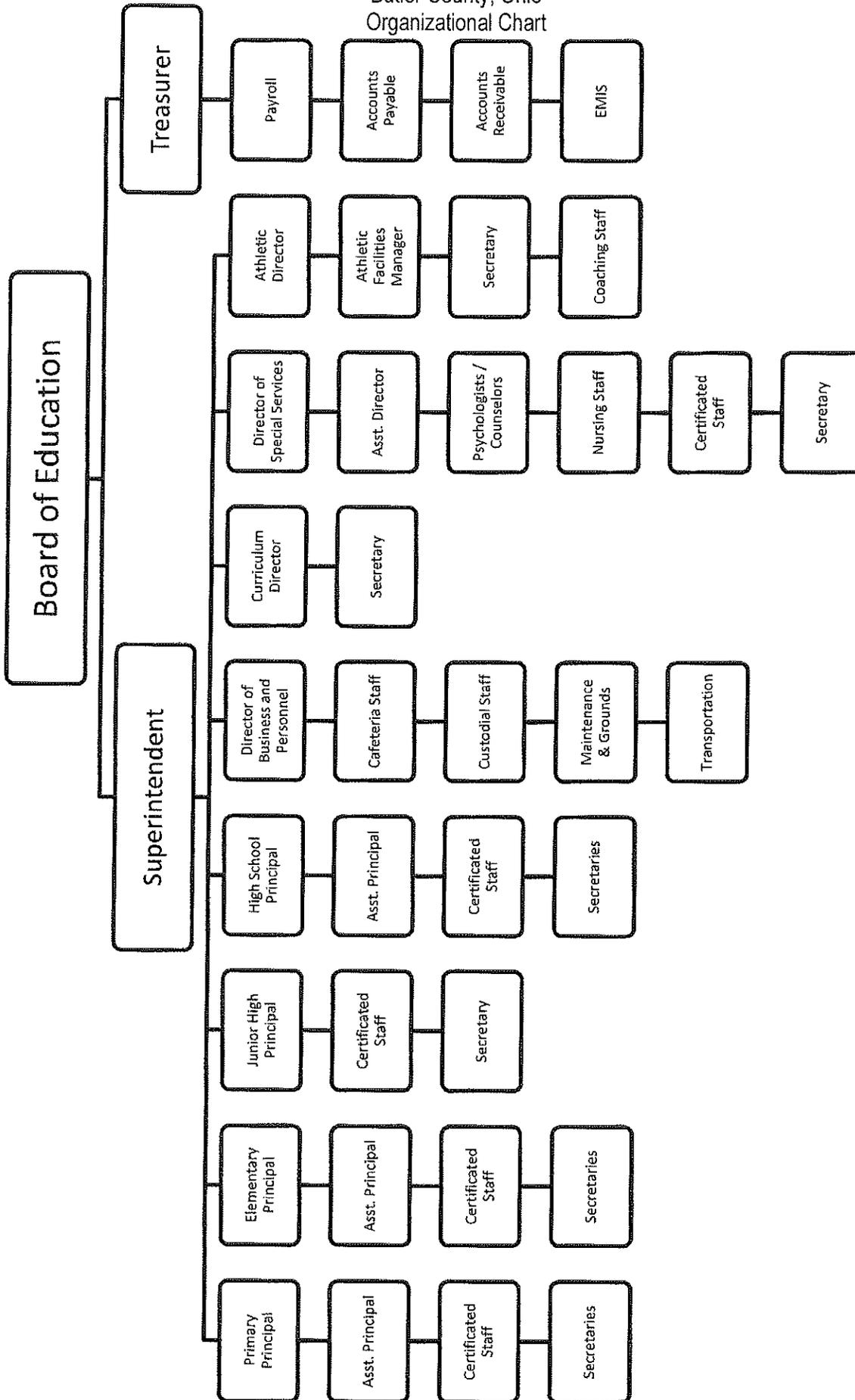
Dr. Elizabeth Lolli	Superintendent
Mrs. Kelley Thorpe	Treasurer
Mrs. Deborah Sander	Director of Curriculum
Mrs. Deborah Miller	Director of Pupil Services
Mr. Broc Bidlack	Director of Personnel & Business

Board of Education Members

Mr. Mike Lane	President
Mr. Chris Snyder	Vice-President

Mr. Brett Guido
Mr. John MacDonald
Mrs. Leslie Stone

Monroe Local School District
Butler County, Ohio
Organizational Chart



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, 2009

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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

MONROE LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

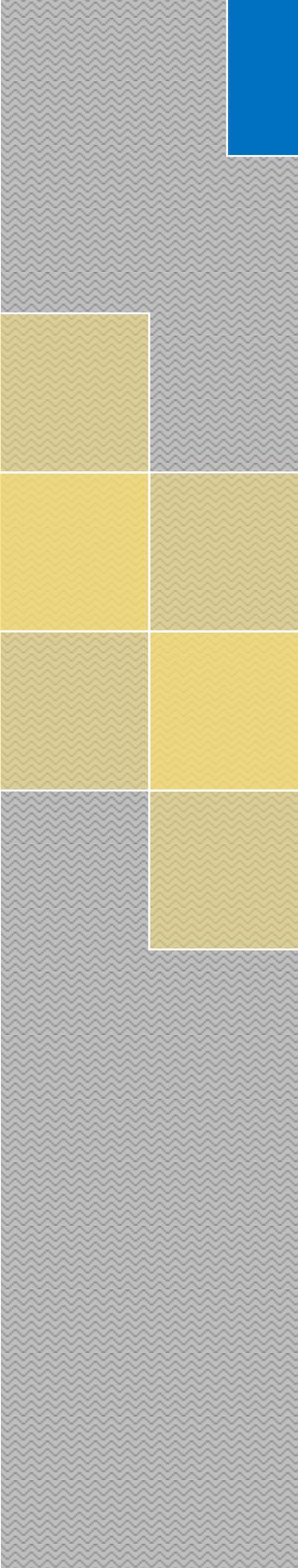
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Evin Green

President

John D. Quasar

Executive Director



Financial Section

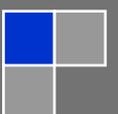
Comprehensive Annual Financial Report

Monroe Local School District

Monroe, Ohio

For the Fiscal Year Ended June 30, 2010

Kelley Thorpe, Treasurer



This page intentionally left blank.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Monroe Local School District:

We were engaged to audit 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, 2010, 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.

Auditing Standards Section 333 requires us to obtain written representations from the Superintendent and Treasurer, and expressly states this requirement applies even if these officials were not present during all periods covered by the audit. The Superintendent and Treasurer declined to provide updated written representations related to the financial statements; completeness of information; and recognition, measurement and disclosure of misstatements, fraud, unasserted claims, undisclosed liabilities and violations of laws and regulations.

Because of the significance of the matter discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, any opinion on the financial statements referred to in the first paragraph.

As discussed in Note 20 to the financial statements, certain errors related to the payment of long-term debt obligations from the incorrect fund were discovered by management subsequent to year-end. The School District's previously-issued financial statements have been restated. The previously-issued auditors' report dated December 29, 2010 is not to be relied upon because the previously-issued financials were materially misstated and the previously-issued auditors' report is replaced by the auditors' report on the restated financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2012 on our consideration of the School District's internal control over financial reporting and on 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 procedures.

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 the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

105 east fourth street, ste. 1500
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

We were engaged 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. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the supplementary information. 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
April 3, 2012

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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, 2010. 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 tenth 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 had attained a rating of Effective from 2005 to 2009. For 2010, the School District has become an Excellent School District.

Financial Highlights

Key financial highlights for 2010 are as follows:

- Current and other assets were less than current liabilities at the close of the most recent fiscal year by \$0.04 million.
- General revenues accounted for \$19.36 million in revenue or 86.08 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$3.13 million or 13.92 percent of \$22.49 million in total revenues.
- At the end of the current fiscal year, cash and cash equivalents of \$1.41 million accounted for 8.37 percent of total assets, excluding capital assets.
- The School District had \$23.63 million in expenses relating to governmental activities; only \$3.13 million of these expenses were offset by program specific revenues. \$19.36 million in general revenues were not adequate to cover the cost of these programs resulting in a negative change in net assets.
- Among major funds, the general fund had \$14.32 million in revenues and \$15.17 million in expenditures. The debt service and emergency levy funds had year end balances of \$2.59 million and (\$0.24) million, respectively.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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, 2010
(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-three 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, and emergency levy 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 18-23 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 24 of this report.

Notes to the Financial Statements. 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 25 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 62 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 95 of this report.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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 2009 to 2010.

Table 1
Net Assets
(in Millions)

	Restated 2009	2010	Change
Assets			
Current and Other Assets	\$16.70	\$16.89	\$0.19
Capital Assets, net of Accumulated depreciation	41.16	41.45	0.29
<i>Total Assets</i>	<u>57.86</u>	<u>58.34</u>	<u>0.48</u>
Liabilities			
Long-term Liabilities	(34.76)	(34.75)	0.01
Other Liabilities	(15.30)	(16.93)	(1.63)
<i>Total Liabilities</i>	<u>(50.06)</u>	<u>(51.68)</u>	<u>(1.62)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	7.12	7.39	0.27
Restricted for:			
Grants/Mandates	0.02	0.28	0.26
Debt Service	2.45	2.60	0.15
Capital Improvements	0.16	0.07	(0.09)
Unrestricted	(1.95)	(3.68)	(1.73)
<i>Total Net Assets</i>	<u><u>\$7.80</u></u>	<u><u>\$6.66</u></u>	<u><u>(\$1.14)</u></u>

The largest changes in assets were in the cash (\$0.60) and taxes receivable (\$0.70) as the School District saw the valuation decrease over ten percent resulting in more strain on the operating budget of the School District. The asset balance actually increased because of the additional intergovernmental receivable for payments in lieu of taxes. The School District did reduce long term liabilities slightly although the purchase of the new administration building and bus garage offset most of the principal paid during the year.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(unaudited)

Graph 1 breaks down the School District's revenues into percentages, while Table 2 compares total revenues for fiscal years 2009 and 2010.

Graph 1
Total Revenues

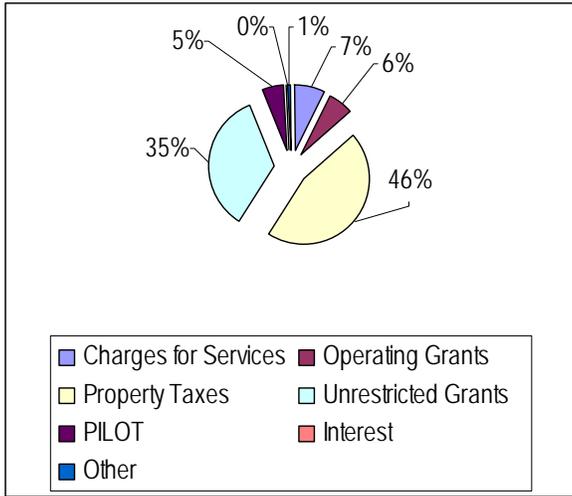


Table 2
Total Revenues
(in Millions)

	<u>2009</u>	<u>2010</u>
Revenues		
<i>Program Revenues</i>		
Charges for Services	\$1.81	\$1.67
Operating Grants	0.89	1.46
<i>General Revenues</i>		
Property Taxes	11.79	10.37
Payment in Lieu of Taxes	0.68	1.18
Grants and Contributions not restricted to specific programs	7.22	7.63
Unrestricted Investment Earnings	0.04	0.02
Miscellaneous	0.30	0.16
Total Revenues	<u><u>\$22.73</u></u>	<u><u>\$22.49</u></u>

For fiscal year 2010, the School District saw revenues increase in grants by \$1.27 million mainly through increased federally generated revenue aided by the stimulus grants. The School District saw average daily membership increase from 2,005 to 2,314 and the state share of funding (as calculated on the foundation report) decrease from 39.08% to 29.92% under the new reporting model. The School District also saw a decrease in property taxes as a result of the valuation dropping for the School District.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(unaudited)

Table 3 compare total program expenses for fiscal years 2009 and 2010.

Table 3
Total Program Expense
(in millions)

	2009	2010	Change
Program Expenses			
<i>Instruction</i>			
Regular	\$10.34	\$9.93	(\$0.41)
Special	1.24	1.54	0.30
Other	0.04	0.02	(0.02)
<i>Support Services:</i>			
Pupils	0.85	1.42	0.57
Instructional Staff	1.01	1.05	0.04
Board of Education	0.09	0.12	0.03
Administration	1.61	1.61	0.00
Fiscal	0.62	0.69	0.07
Business	0.14	0.14	0.00
Operation and Maintenance of Plant	2.46	1.77	(0.69)
Pupil Transportation	1.47	1.68	0.21
Central	0.46	0.50	0.04
Food Service	0.87	0.87	0.00
Extracurricular Activities	0.79	0.84	0.05
Interest and Fiscal Charges	1.52	1.45	(0.07)
Total Expenses	<u>23.51</u>	<u>23.63</u>	<u>\$0.12</u>
Change in Net Assets	<u>(0.78)</u>	<u>(1.14)</u>	
Ending Net Assets	<u><u>\$7.80</u></u>	<u><u>\$6.66</u></u>	

The largest increases were in special instruction (24%) and pupils (67%). The School District increased certain functional expenses as a result of the stimulus requirements. The School District has worked very hard to keep operating expenses constant from year to year and with the additional costs in most areas the School District reduced the operation and maintenance expenses. The use of the taxpayer's money is a very important element that both the administration and the Board of 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 School District was focused on maintaining expense near prior year levels as the year

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(unaudited)

to year revenues decreased. The School District understands that balancing their operating activities is a must to eliminate the negative unrestricted net asset position.

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 89.03% of the \$22.48 million in total revenue and 83.64% percent of the \$25.01 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 less than expenditures in the two major funds creating year fund balances of (\$3.29) million for the General fund and (\$0.24) million for the Emergency Levy fund. While the Debt Service fund showed a slight positive change creating a \$2.59 million year end fund balance.

The general fund recognized a (\$0.86) 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 saw expenditures increase \$1.64 million as one of the Emergency Levy Fund's special levies expired and not as many of those expenditures were allocated as originally planned.

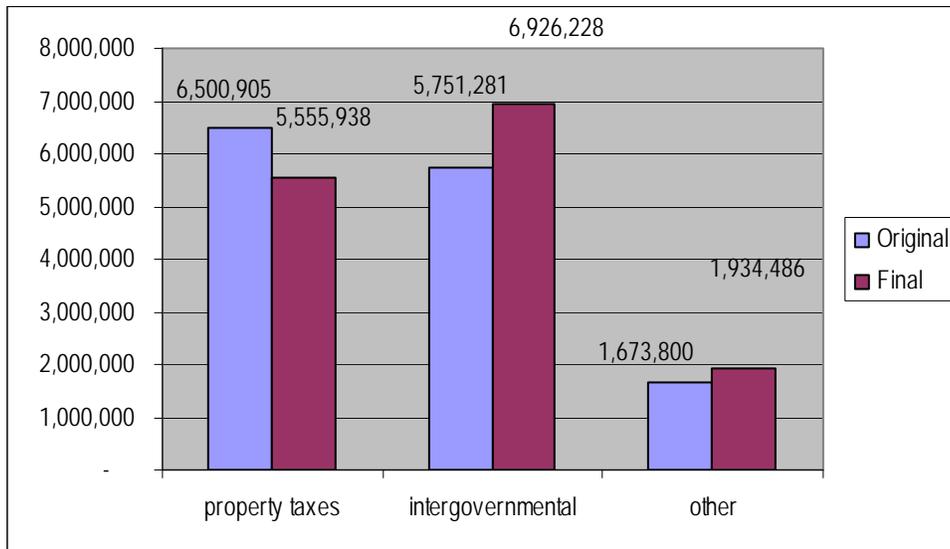
The debt service fund accounted for an increase of \$0.07 million in fund balance. The School District received \$1.91 million in property taxes related to the bond levy during the year, which was down \$0.11 million from last year.

**Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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, 2010.

*Graph 3
Original Budget versus Final Budget for General Fund Revenues*



The School District had a total increase of 3.52 percent from original to final budgets for revenues as the School District did not budget for full collection of payment in lieu of taxes and the original property tax amount was before the valuation was reduced; 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 except for a few miscellaneous revenue items received during the couple days of the year.

Table 4 examines the major changes from the original to the final general fund expenditures budget for the fiscal year ended June 30, 2010. The School District actually saw a slight increase in the final budget despite the final revenue amounts being significantly higher than those expenditures.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(unaudited)

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

	Original	Final	Change
Instruction	\$8.25	\$8.03	(\$0.22)
Support Services	5.13	5.48	0.35
Other	0.00	0.05	0.05

For comparison of actual amounts to final budgets, School District final budget was under the actual results by \$1.56 million. For operating purposes, the School District combines the general and emergency levy funds but for reporting purposes those funds are required to be separated.

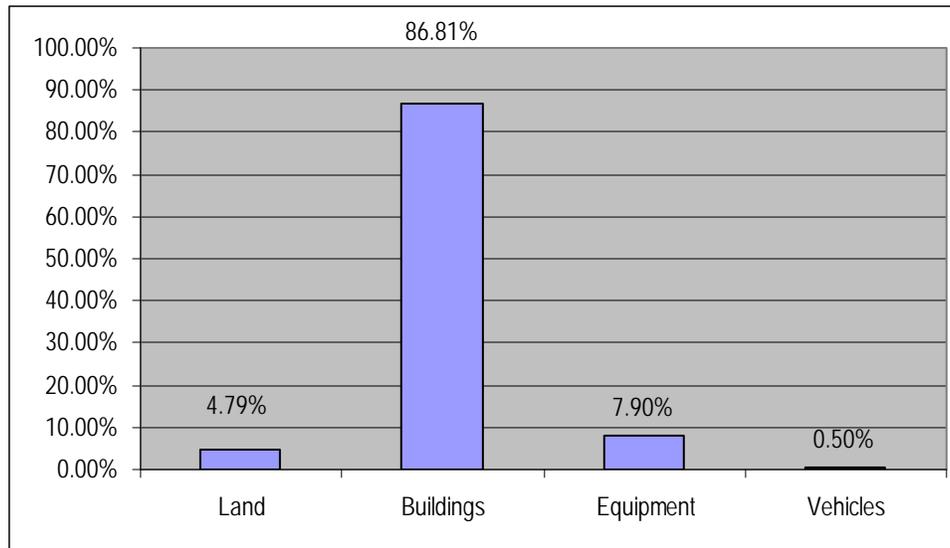
Capital Assets

At the end of the fiscal year, the School District had \$41.45 million invested in land, buildings and improvements, furniture and equipment, and vehicles less accumulated depreciation. The School District saw a slight increase as the building addition was offset by the annual depreciation on School District's assets. The School District kept expenditures on other capital assets to a minimum during the year beside the additional building.

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, 2010
(unaudited)

Graph 2
Percentage of Capital Assets by Class



Debt Administration

The School District retired \$0.90 million of general obligation bonds during the fiscal year. The School District retired \$0.08 million of capital lease obligations for the roof improvements, copier and printer equipment during the year. The School District also had a long term note payable obligation at year end of \$4.01 million. The School District issued certificates of participation bonds during the year for the new administration building and bus garage totaling \$0.98 million. The School District's overall legal debt margin was \$22,004,155.

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 2010 was 4.00%. 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, 2010
(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 ultimately 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 continued to see net assets trend downwards during the year but with slowing revenue growth and managing operating expenses the School District's overall financial condition is still improving over the prior year when looking at all financial aspects and with the current Ohio Department of Education's Excellent Rating.

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, 500 Yankee Road, Monroe, Ohio 45050.

Treasurer
Monroe Local School District

This page intentionally left blank

Monroe Local School District
Butler County, Ohio
Statement of Net Assets
June 30, 2010

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,158,073
Restricted Cash and Cash Equivalents	256,054
Receivables:	
Property Taxes	13,120,243
Accounts	1,936
Accrued Interest	3,873
Intergovernmental	1,571,815
Materials and Supplies Inventory	20,323
Issuance Costs	758,227
Nondepreciable Capital Assets	2,475,849
Depreciable Capital Assets	38,973,377
Total Assets	58,339,770
 <u>Liabilities</u>	
Payables:	
Accounts	351,829
Intergovernmental	531,035
Interest	103,572
Salaries and Employee Benefits	1,513,139
Unearned Revenue	14,433,192
Noncurrent Liabilities:	
Due within one year	647,269
Due in more than one year	34,104,158
Total Liabilities	51,684,194
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	7,387,369
Restricted for:	
Grants	21,030
Debt Service	2,603,399
Capital Improvements	67,599
State Mandates	256,054
Unrestricted	(3,679,875)
Total Net Assets	\$ 6,655,576

See accompanying notes to the basic financial statements

This page intentionally left blank

**Monroe Local School District
Butler County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2010**

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$ 9,931,408	\$ 742,602	\$ 318,570	\$ (8,870,236)
Special	1,543,558	-	17,933	(1,525,625)
Other	19,607	-	-	(19,607)
Support Services:				
Pupils	1,416,028	25,579	216,614	(1,173,835)
Instructional Staff	1,059,105	35,282	351,518	(672,305)
Board of Education	117,724	-	-	(117,724)
Administration	1,608,110	-	23,328	(1,584,782)
Fiscal	688,373	-	-	(688,373)
Business	144,875	-	-	(144,875)
Operation and Maintenance of Plant	1,772,836	15,548	89,452	(1,667,836)
Pupil Transportation	1,679,363	-	-	(1,679,363)
Central	495,795	-	160,665	(335,130)
Food Service	871,438	594,144	265,230	(12,064)
Extracurricular Activities	839,139	256,909	15,000	(567,230)
Interest and Fiscal Charges	1,448,582	-	-	(1,448,582)
Total Governmental Activities	\$ 23,635,941	\$ 1,670,064	\$ 1,458,310	(20,507,567)

General Revenues:	
Property Taxes	10,373,144
Payment in Lieu of Taxes	1,182,678
Grants and Contributions not restricted to specific programs	7,627,340
Unrestricted investment earnings	14,841
Miscellaneous	160,186
Total General Revenues	19,358,189
Changes in Net Assets	(1,149,378)
Net Assets-Beginning (Restated)	7,804,954
Net Assets-Ending	\$ 6,655,576

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Balance Sheet - Governmental Funds
June 30, 2010

	General	Debt Service	Emergency Levy	Other Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 667,750	\$ 127,837	\$ 362,486
Receivables:				
Property and Other Taxes	7,317,579	2,256,343	3,546,321	-
Accounts	1,796	-	-	140
Interfund	18,887	-	-	-
Accrued Interest	3,873	-	-	-
Intergovernmental	1,509,392	-	-	62,423
Internal Borrowing for General Fund Cash deficit	-	1,897,691	-	-
Materials and Supplies Inventory	-	-	-	20,323
Restricted Assets:				
Cash and Cash Equivalents	256,054	-	-	-
Total Assets	9,107,581	4,821,784	3,674,158	445,372
Liabilities and Fund Balances				
Liabilities:				
Payables:				
Accounts	137,346	-	108,598	105,885
Intergovernmental	343,693	-	146,313	41,029
Salaries and Employee Benefits	1,271,227	-	150,431	91,481
Internal Borrowing for General Fund Cash deficit	1,897,691	-	-	-
Interfund	-	-	-	18,887
Deferred Revenue	8,747,168	2,228,053	3,508,088	62,423
Total Liabilities	12,397,125	2,228,053	3,913,430	319,705
Fund Balances:				
Reserved for:				
Encumbrances	67,718	-	15,751	19,799
Property Taxes	79,803	28,290	38,233	-
Capital Improvements	256,054	-	-	-
Unreserved, reported in:				
General (Deficit)	(3,693,119)	-	-	-
Debt Service	-	2,565,441	-	-
Special Revenue (Deficit)	-	-	(293,256)	38,294
Capital Projects	-	-	-	67,574
Total Fund Balances (Deficit)	(3,289,544)	2,593,731	(239,272)	125,667
Total Liabilities and Fund Balances	\$ 9,107,581	\$ 4,821,784	\$ 3,674,158	\$ 445,372

See accompanying notes to the basic financial statements

**Monroe Local School District
Butler County, Ohio
Balance Sheet - Governmental Funds
June 30, 2010**

Total Governmental Funds	Reconciliation of Total Governmental Fund Balances to Statement of Net Assets																																																																																													
<table border="0" style="width: 100%;"> <tr><td style="width: 10px;">\$</td><td style="width: 100px;">1,158,073</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>13,120,243</td><td></td></tr> <tr><td>1,936</td><td></td></tr> <tr><td>18,887</td><td></td></tr> <tr><td>3,873</td><td></td></tr> <tr><td>1,571,815</td><td></td></tr> <tr><td>1,897,691</td><td></td></tr> <tr><td>20,323</td><td></td></tr> <tr><td>256,054</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>18,048,895</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>351,829</td><td></td></tr> <tr><td>531,035</td><td></td></tr> <tr><td>1,513,139</td><td></td></tr> <tr><td>1,897,691</td><td></td></tr> <tr><td>18,887</td><td></td></tr> <tr><td>14,545,732</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>18,858,313</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>103,268</td><td></td></tr> <tr><td>146,326</td><td></td></tr> <tr><td>256,054</td><td></td></tr> <tr><td>(3,693,119)</td><td></td></tr> <tr><td>2,565,441</td><td></td></tr> <tr><td>(254,962)</td><td></td></tr> <tr><td>67,574</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>(809,418)</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>\$</td><td>18,048,895</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>	\$	1,158,073	<hr/>		13,120,243		1,936		18,887		3,873		1,571,815		1,897,691		20,323		256,054		<hr/>		18,048,895		<hr/>		351,829		531,035		1,513,139		1,897,691		18,887		14,545,732		<hr/>		18,858,313		<hr/>		103,268		146,326		256,054		(3,693,119)		2,565,441		(254,962)		67,574		<hr/>		(809,418)		<hr/>		\$	18,048,895	<hr/>		<p>Total Governmental Fund Balances</p> <p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p> <p>Issuance costs associated with long term debt are not financial resources and, therefore, are not reported in the funds.</p> <p>Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.</p> <p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p> <p>Net Assets of Governmental Activities</p>	<table border="0" style="width: 100%;"> <tr><td>\$</td><td>(809,418)</td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>41,449,226</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>758,227</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>112,540</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>(34,854,999)</td><td></td></tr> <tr><td colspan="2"><hr/></td></tr> <tr><td>\$</td><td>6,655,576</td></tr> <tr><td colspan="2"><hr/></td></tr> </table>	\$	(809,418)	<hr/>		41,449,226		<hr/>		758,227		<hr/>		112,540		<hr/>		(34,854,999)		<hr/>		\$	6,655,576	<hr/>	
\$	1,158,073																																																																																													
<hr/>																																																																																														
13,120,243																																																																																														
1,936																																																																																														
18,887																																																																																														
3,873																																																																																														
1,571,815																																																																																														
1,897,691																																																																																														
20,323																																																																																														
256,054																																																																																														
<hr/>																																																																																														
18,048,895																																																																																														
<hr/>																																																																																														
351,829																																																																																														
531,035																																																																																														
1,513,139																																																																																														
1,897,691																																																																																														
18,887																																																																																														
14,545,732																																																																																														
<hr/>																																																																																														
18,858,313																																																																																														
<hr/>																																																																																														
103,268																																																																																														
146,326																																																																																														
256,054																																																																																														
(3,693,119)																																																																																														
2,565,441																																																																																														
(254,962)																																																																																														
67,574																																																																																														
<hr/>																																																																																														
(809,418)																																																																																														
<hr/>																																																																																														
\$	18,048,895																																																																																													
<hr/>																																																																																														
\$	(809,418)																																																																																													
<hr/>																																																																																														
41,449,226																																																																																														
<hr/>																																																																																														
758,227																																																																																														
<hr/>																																																																																														
112,540																																																																																														
<hr/>																																																																																														
(34,854,999)																																																																																														
<hr/>																																																																																														
\$	6,655,576																																																																																													
<hr/>																																																																																														

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, 2010

	General	Debt Service	Emergency Levy	Other Governmental Funds
Revenues:				
Property and Other Taxes	\$ 5,482,557	\$ 2,020,169	\$ 2,971,223	\$ -
Payments in Lieu of Taxes	1,182,678	-	-	-
Intergovernmental	6,926,228	199,650	501,462	1,425,159
Charges for Services	2,760	-	-	603,380
Tuition and Fees	707,492	-	-	-
Interest	14,841	-	-	-
Gifts and Donations	1,000	-	-	27,883
Rent	-	-	-	6,312
Extracurricular Activities	-	-	-	311,791
Miscellaneous	6,713	-	-	93,644
Total Revenues	14,324,269	2,219,819	3,472,685	2,468,169
Expenditures:				
Current:				
Instruction:				
Regular	8,369,291	-	524,170	366,834
Special	274,204	-	1,239,549	22,929
Other	19,607	-	-	-
Support Services:				
Pupils	806,231	-	396,061	237,730
Instructional Staff	647,348	-	-	393,452
Board of Education	116,365	-	-	-
Administration	1,552,518	-	1,546	19,630
Fiscal	465,727	33,576	181,954	2,856
Business	130,234	-	-	-
Operation and Maintenance of Plant	1,406,615	-	48,298	1,110,193
Pupil Transportation	864,266	-	813,278	1,819
Central	59,570	-	180,859	234,790
Operation of Non-Instructional Services	-	-	-	854,033
Extracurricular Activities	51,331	-	-	767,146
Capital Outlay	-	-	188,416	46,495
Debt Service:				
Principal Retirement	192,333	900,000	12,140	-
Interest and Fiscal Charges	212,912	1,219,790	13,074	-
Issuance Costs	-	-	-	35,280
Total Expenditures	15,168,552	2,153,366	3,599,345	4,093,187
Excess (Deficiency) of Revenues Over (Under) Expenditures	(844,283)	66,453	(126,660)	(1,625,018)
Other Financing Sources (Uses):				
Face Value from Sale of Bonds	-	-	-	980,000
Premium from Sale of Bonds	-	-	-	6,104
Inception of Capital Lease	-	-	188,395	-
Transfers - In	-	-	-	511,919
Transfers - Out	(14,343)	-	(497,206)	(370)
Total Other Financing Sources (Uses)	(14,343)	-	(308,811)	1,497,653
Net Change in Fund Balances	(858,626)	66,453	(435,471)	(127,365)
Fund Balances (Deficit) - beginning (restated)	(2,430,918)	2,527,278	196,199	253,032
Fund Balances (Deficit) - ending	\$ (3,289,544)	\$ 2,593,731	\$ (239,272)	\$ 125,667

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, 2010

Total Governmental Funds	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	
\$ 10,473,949 1,182,678 9,052,499 606,140 707,492 14,841 28,883 6,312 311,791 <u>100,357</u>	Net Change in Governmental Fund Balances	\$ (1,355,009)
<u>22,484,942</u>	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 capital outlays exceeded depreciation and disposals in the current period.	283,760
9,260,295 1,536,682 19,607	The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs and premiums when the debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	11,866
1,440,022 1,040,800 116,365 1,573,694 684,113 130,234 2,565,106 1,679,363 475,219 854,033 818,477 234,911	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(82,654)
1,104,473 1,445,776 35,280	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.	<u>(7,341)</u>
	Change in net assets of governmental activities	<u>\$ (1,149,378)</u>
<u>25,014,450</u>		
(2,529,508)		
980,000 6,104 188,395 511,919 <u>(511,919)</u>		
<u>1,174,499</u>		
(1,355,009)		
545,591		
<u>\$ (809,418)</u>		

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, 2010

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Property and Other Local Taxes	\$6,500,905	\$5,555,938	\$5,555,938	\$0
Intergovernmental	5,751,281	6,926,228	6,926,228	0
Interest	60,000	15,183	15,183	0
Tuition and Fees	840,560	707,127	707,127	0
Rent	7,500	38	38	0
Gifts and Donations	3,500	1,000	1,000	0
Customers Sales and Services	3,500	2,760	2,760	0
Payments in Lieu of Taxes	750,000	1,182,678	1,182,678	0
Miscellaneous	8,740	25,700	35,058	9,358
Total Revenues	13,925,986	14,416,652	14,426,010	9,358
Expenditures:				
Current:				
Instruction:				
Regular	8,102,053	7,749,498	8,365,864	(616,366)
Special	109,002	257,398	277,871	(20,473)
Student Intervention Services	40,000	18,162	19,607	(1,445)
Support Services:				
Pupils	623,773	651,538	703,359	(51,821)
Instructional Staff	597,153	596,264	643,689	(47,425)
Board of Education	96,456	111,342	120,198	(8,856)
Administration	1,262,761	1,291,807	1,550,955	(259,148)
Fiscal	490,548	443,854	479,156	(35,302)
Business	125,663	133,789	144,430	(10,641)
Operation and Maintenance of Plant	1,855,748	1,410,411	1,522,590	(112,179)
Pupil Transportation	15,000	797,822	861,278	(63,456)
Central	55,200	54,029	58,326	(4,297)
Extracurricular Activities	2,944	47,274	51,034	(3,760)
Debt Service:				
Principal Retirement	0	0	123,000	(123,000)
Interest and Fiscal Charges	0	0	201,046	(201,046)
Total Expenditures	13,377,701	13,563,189	15,122,403	(1,559,214)
Excess of Revenues over (Under) Expenditures	548,285	853,463	(696,393)	(1,549,856)
Other Financing Sources (Uses):				
Advances Out	0	0	(18,887)	(18,887)
Transfers In	0	370	370	0
Transfers Out	(322,195)	0	(14,713)	(14,713)
Total Other Financing Sources (Uses)	(322,195)	370	(33,230)	(33,600)
Net Change in Fund Balance	226,090	853,833	(729,623)	(1,583,456)
Fund Balances (Deficit) at Beginning of Year, restated	(1,156,327)	(1,156,327)	(1,156,327)	0
Prior Year Encumbrances Appropriated	55,481	55,481	55,481	0
Fund Balances (Deficit) at End of Year	(\$874,756)	(\$247,013)	(\$1,830,469)	(\$1,583,456)

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, 2010

	Emergency Levy Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$3,876,086	\$3,031,794	\$3,031,794	\$0
Intergovernmental	431,300	501,462	501,462	0
Total Revenues	4,307,386	3,533,256	3,533,256	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	448,532	518,829	518,829	0
Special	1,025,046	1,157,351	1,157,351	0
Support Services:				
Pupils	423,769	396,061	396,061	0
Administration	0	19,725	19,725	0
Fiscal	127,600	185,152	185,152	0
Operation and Maintenance of Plant	45,000	48,298	48,298	0
Pupil Transportation	1,615,056	806,201	806,201	0
Central	291,378	201,067	201,067	0
Capital Outlay	0	21	21	0
Total Expenditures	3,976,381	3,332,705	3,332,705	0
Excess of Revenues Over (Under) Expenditures	331,005	200,551	200,551	0
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	5,051,982	5,051,982
Transfers Out	(478,274)	(1,311,658)	(5,539,488)	(4,227,830)
Total Other Financing Sources (Uses)	(478,274)	(1,311,658)	(487,506)	824,152
Net Change in Fund Balance	(147,269)	(1,111,107)	(286,955)	824,152
Fund Balances at Beginning of Year	101,484	101,484	101,484	0
Prior Year Encumbrances Appropriated	147,269	147,269	147,269	0
Fund Balances (Deficit) at End of Year	\$101,484	(\$862,354)	(\$38,202)	\$824,152

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, 2010

	<u>Student Activities Fund</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 70,710
	<u>70,710</u>
<u>Liabilities</u>	
Accounts Payable	16,741
Due to Students	53,969
	<u>70,710</u>
Total Liabilities	\$ 70,710
	<u>70,710</u>

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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 63 non-certificated personnel, 133 teaching personnel and 16 administrative employees providing education to 2,314 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, 2010

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, 2010

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 was renewed through 2009 and a 2001 levy active through 2010.

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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 2010.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 2010 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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2010.

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 2010 amounted to \$14,841 which includes \$6,776 assigned from other District funds.

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.

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

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 capital improvements. 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 capital improvements is the state mandated amount of fiscal year 2010 expenditures unspent and carried forward to future years.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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/Internal Borrowing

On fund financial statements, receivables and payables resulting from transaction-like activities between a government's various funds are classified as "interfund receivables/payables." The School District had a negative cash position in the general fund at year end. That deficit is covered by the School District through an internal borrowing as reported on the governmental balance sheet. 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, 2010, but which were levied to finance fiscal year 2011 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, 2010

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, 2010

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 (\$34,854,999) difference are as follows:

Capital Lease Payable	(\$416,360)
Long Term Notes Payable including Discount	(3,964,814)
General Obligation Bonds Payable including Premium	(29,680,683)
Accrued Interest Payable	(103,572)
Compensated Absences	(689,570)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	(\$34,854,999)

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 \$41,449,226 difference are as follows:

Capital Assets	\$51,647,583
Accumulated Depreciation	(10,198,357)
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$41,449,226

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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 (\$7,341) are as follows:

Change in Leave Balances	(\$6,918)
Net Interest on Bonds	(423)
Net Adjustment - current financial resources focus to reduce <i>fund balance</i> -	(\$7,341)

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and disposals in the current period." The details of this \$283,760 are as follows:

Current capital additions	\$1,167,597
Impact of disposals	(1,873)
Depreciation Expense	(881,964)
Net Adjustment - capital assets to reduce <i>fund balance - total</i>	\$283,760

Another element of that reconciliation states that "The issuance of long-term debt (i.e bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net assets. Also, governmental funds report the effect of issuance costs and premiums when the debt is first issued; whereas these amounts are deferred and amortized in the statement of activities." The details of this \$11,866 are as follows:

Inception of capital lease	(\$188,395)
Face value and premium of bonds issued	(986,104)
Issuance costs on bond issue	35,280
Principal paid on capital leases obligations	81,473
Amortization of issuance costs on all issues	(37,663)
Net amortization of premium and discounts on all issues	84,275
Principal paid on bonds and notes payables	1,023,000
Net Adjustment - capital assets to reduce <i>fund balance - total</i>	\$11,866

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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).
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. 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
	Fund	Fund
GAAP Basis	(\$858,626)	(\$435,471)
Adjustments:		
Revenue Accrual	101,741	60,571
Expenditure Accrual	234,982	244,284
Transfers	0	9,700
Advances	(18,887)	0
Encumbrances	(188,833)	(166,038)
Budget Basis	(\$729,623)	(\$286,954)

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2010, the general fund, emergency levy, food service, district managed activities, title vi-b, title ii-d, and title i grant special revenue funds had deficit fund balances of \$3,298,544; \$239,272; \$5,664; \$26,216; \$82,755; \$214; and \$13,698, 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 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 also reports a deficit fund balance in the emergency levy fund for the current year. The emergency levy fund deficit was the recognition of amounts owed but not yet paid by the fund (mainly accrued wages and benefits.) The general fund deficit was the result of current liabilities and overspending of the fund's cash balance (reported as an internal borrowing.)

B. Compliance

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

Emergency Levy Fund	\$862,354
Non Major Funds:	
District Managed Activities	62,988
OneNet Ohio	3,855
Title VI-B Grant	264,559
Title II-D Grant	434
Title I Grant	25,285
Improving Teacher Quality	3,606

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 4 - Accountability and Compliance (continued)

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

General Fund	\$1,112,365
Debt Service Fund	318,357
Emergency Levy Fund	4,227,829
Non Major Funds:	
Food Service Fund	9,439
Special Trust	395
Educational Management Information	9,196
Miscellaneous State Grants	639
Title III Grant	3,669
Permanent Improvement Fund	958,167

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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 5 - Deposits and Investments (continued)

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;
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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 5 - Deposits and Investments (continued)

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 \$411,847 and the bank balance was \$482,596 all of which was covered by federal depository insurance.

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.

Investments

As of June 30, 2010, the School District had the following investments.

	Carrying and Fair Value	Average Maturity
Federal Home Loan Bank Bonds	\$51,094	2.00 year
Federal Farm Credit Bank Notes	51,968	3.85 year
United States Treasury Note	50,477	1.48 year
Money Market Mutual Funds	59,001	< 1 year
STAR Ohio	860,450	< 1 year
Total Investments	<u>\$1,072,990</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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 5 - Deposits and Investments (continued)

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, Federal Farm Credit Bank Notes and United States Treasury Notes. Below are the credit ratings of the School District's investments:

Security	Rating Agency	
	Moody's	Standard & Poor's
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 Farm Credit Bank Notes 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.

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 80.19% of the School District's investments with Money Market Mutual Funds representing 5.50% 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 2010 for real and public utility property taxes represents collections of calendar 2009 taxes. Property tax payments received during calendar 2010 for tangible personal property (other than public utility property) is for calendar 2010 taxes.

2010 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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 6 - Property Taxes (continued)

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. 2010 public utility property taxes became a lien December 31, 2008, are levied after April 1, 2009 and are collected in 2010 with real property taxes.

2010 tangible personal property taxes on local and exchange telephone companies are levied after April 1, 2010, on the value as of December 31, 2010. Collections are made in 2010. Tangible personal property assessments are at varying percentages 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.

The assessed values upon which fiscal year 2010 taxes were collected are as follows:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$294,924,470	88.12%	\$283,551,132	94.57%
Public Utility	16,944,650	5.06	16,280,878	5.43
Tangible Personal Property	22,815,331	6.82	0	0.00
Total Assessed Value	\$334,684,451	100.00%	\$299,832,010	100.00%
 Tax rate per \$1,000 of assessed valuation	 \$45.46		 \$41.04	

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, 2010. 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, 2010, was \$79,803 in the general fund, \$28,290 in the debt service fund and \$38,233 in the emergency levy fund.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 7 - Receivables

Receivables at June 30, 2010, 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 general fund and title vi-b, title i, drug free grant, and improving teacher quality nonmajor special revenue funds had intergovernmental receivables of \$1,509,392; \$42,677; \$9,932; \$1,741; and \$8,073; respectively.

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Restated Balance 7/01/09	Increases	Decreases	Balance 6/30/10
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$2,228,759	\$247,090	\$0	\$2,475,849
Capital Assets, being depreciated				
Buildings and Improvements	44,185,199	648,122	0	44,833,321
Furniture and Equipment	3,813,105	272,385	(7,660)	4,077,830
Vehicles	260,583	0	0	260,583
Total at Historical Cost	<u>50,487,646</u>	<u>1,167,597</u>	<u>(7,660)</u>	<u>51,647,583</u>
Accumulated Depreciation				
Buildings and Improvements	(5,680,198)	(598,189)	0	(6,278,387)
Furniture and Equipment	(3,417,279)	(280,108)	5,787	(3,691,600)
Vehicles	(224,703)	(3,667)	0	(228,370)
Total Accumulated Depreciation	<u>(9,322,180)</u>	<u>(881,964)</u>	<u>(1,873)</u>	<u>(10,198,357)</u>
Governmental Activities Capital Assets, Net	<u>\$41,165,466</u>	<u>\$285,633</u>	<u>(\$1,873)</u>	<u>\$41,449,226</u>

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 8 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$732,664
Special	3,723
Support Services:	
Pupils	2,225
Instructional Staff	10,941
Administration	20,181
Fiscal	3,604
Operation and Maintenance of Plant	48,295
Central	20,576
Food Services	16,978
Extracurricular Activities	22,777
Total Depreciation Expense	\$881,964

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 2010, 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, 2010

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 2010, 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, 2010

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% of their annual covered salary and School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$286,464, \$182,591 and \$162,766 respectively; 69 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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.

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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 10 – Defined Benefit Pension Plans (continued)

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, 2010 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 2009, 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, 2010, 2009, and 2008 were \$1,138,433, \$1,203,485, and \$1,027,655 respectively; 86 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$72,008 made by the School District and \$51,435 made by the plan members.

Note 11 – Postemployment Benefits

A. School Employee Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 11 – Postemployment Benefits (continued)

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 for most participants, but could as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation is .76%. School District contributions for the years ended June 30, 2010, 2009 and 2008 were \$17,035, \$13,257 and \$11,728, respectively; 69 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2010, the health care allocation is .46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund.

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$66,108, \$85,370, and \$74,275 respectively; 69 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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 2010, 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, 2010, 2009, and 2008 were \$87,572, \$92,576, and \$79,050 respectively; 86 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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, 2010

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 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

During the current year, the School District entered in capitalized leases for copy machines. During 2009, the School District entered into a lease purchase agreement for improvements to the primary building. Each lease meets the criteria of a capital lease as defined by FASB Codification 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 \$1,040,780 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 2010 totaled \$12,140 in the emergency levy fund and \$69,333 in the debt service fund.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Furniture and Equipment	\$1,040,780
Less: Accumulated Depreciation	(445,576)
Total	\$595,204

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 13 - Capital Leases (continued)

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

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2011	\$114,354	\$42,487	\$156,841
2012	127,392	29,450	156,842
2013	142,894	13,947	156,841
2014	31,720	725	32,445
Total	\$416,360	\$86,609	\$502,969

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:

	Restated Obligation Outstanding 7/01/09	Additions	Reductions	Obligation Outstanding 6/30/10	Amounts Due in One Year
Governmental Activities					
Compensated Absences	\$690,152	\$763,267	\$763,849	\$689,570	\$38,915
Long Term Notes	4,134,000	0	123,000	4,011,000	129,000
Note Discount/Premium	(49,270)	0	(3,084)	(46,186)	0
General Obligation Bonds	8,565,000	0	900,000	7,665,000	325,000
Bond Premium	449,783	0	21,761	428,022	0
Refunded General					
Obligation Bonds	19,325,000	0	0	19,325,000	0
Bond Premium	1,342,155	0	65,471	1,276,684	0
COPS Bonds Payable	0	980,000	0	980,000	40,000
Bonds Premium	0	6,104	127	5,977	0
Capital Leases Payable	309,438	188,395	81,473	416,360	114,354
Total Governmental	\$34,766,258	\$1,937,766	\$1,952,597	\$34,751,427	\$647,269

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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 general fund and pay interest at rates ranging from 3.10% to 4.39%.

COPS Bonds Payable - On February 2, 2010, the School District issued a certificates of participation bonds in the amount of \$980,000 for the purpose of acquiring land and buildings for the administration building and bus garage. The bonds were issued for twenty years with a final maturity in 2030. The bonds will be retired from the general fund and pay interest at rates ranging from 1.50% to 5.25%.

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 paid from the Debt Service fund with a special tax levy. Capital leases will be paid from the Emergency Levy special revenue fund and Debt Service fund.

At June 30, 2010, the School District's overall legal debt margin was \$22,004,155, an energy conservation debt margin of \$2,698,488 and an unvoted debt margin of \$299,832.

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
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	595,000	1,130,288	1,725,288
2016-2020	4,540,000	5,562,746	10,102,746
2021-2025	7,780,000	3,935,256	11,715,256
2026-2030	12,335,000	1,484,863	13,819,863
Totals	<u>\$26,990,000</u>	<u>\$16,785,407</u>	<u>\$43,775,407</u>

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 14 - Long-Term Liabilities (continued)

Fiscal Year Ending June 30,	Long Term Notes		
	Principal	Interest	Total
2011	\$129,000	\$178,618	\$307,618
2012	132,000	147,990	279,990
2013	138,000	118,528	256,528
2014	145,000	115,333	260,333
2015	152,000	112,000	264,000
2016-2020	882,000	504,300	1,386,300
2021-2025	1,116,000	368,780	1,484,780
2026-2030	693,000	230,272	923,272
2031-2034	624,000	64,472	688,472
Totals	\$4,011,000	\$1,840,293	\$5,851,293

Fiscal Year Ending June 30,	COPS Bonds Payable		
	Principal	Interest	Total
2011	\$40,000	\$34,109	\$74,109
2012	35,000	40,468	75,468
2013	35,000	39,855	74,855
2014	35,000	39,155	74,155
2015	40,000	38,324	78,324
2016-2020	210,000	171,693	381,693
2021-2025	255,000	123,162	378,162
2026-2030	330,000	54,075	384,075
Totals	\$980,000	\$540,841	\$1,520,841

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 15 - Interfund Balances

Interfund balances at June 30, 2010, 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	\$18,887	\$0	\$0	\$14,343
Emergency Levy	0	0	0	479,206
Nonmajor Funds	0	18,887	511,919	370
Total All Funds	<u>\$18,887</u>	<u>\$18,887</u>	<u>\$511,919</u>	<u>\$511,919</u>

The School District transfers funds from the General fund and Emergency Levy special revenue fund to cover the District Managed Activities nonmajor special revenue fund operations and also some miscellaneous funds that need additional funds beyond what is provided through their various sources. The interfund payables relate to timing with grants funds and are expected to be repaid within the next fiscal year.

The School District reports an internal borrowing in the General fund of \$1,897,691 resulting from overspending the cash balance.

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 2010 fiscal year, the School District paid \$97,359 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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 16 - Jointly Governed Organizations (continued)

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.

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 400 North Erie Blvd., Suite B, 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.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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

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, 2009	(\$767,155)	\$0
Current Year Set-aside Requirement	355,336	355,336
Qualifying Disbursements	(211,736)	(99,282)
Total	(623,555)	\$256,054
Set-Aside Offset Carried Forward to FY 2010	(\$623,555)	\$256,054

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, 2010.

B. Litigation

As of June 30, 2010, there were no pending cases.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 20 –Restatement of Net Assets/Fund Balances

In prior years, the School District posted the individual line items for the construction of the School District's new facility, stadium, field house and athletic field. The School District also had used a useful life that was different than the term listed in their policy. The School District had incorrectly recorded the 2002 bond issue and under reporting the outstanding principal in the prior year. The School District also had made a payment on the long term note payable that was not recorded. The prior period adjustments were recorded to correct as follows:

	Government- Wide Net Assets
Net Assets - June 30, 2009	\$3,236,672
Additional construction misposted	5,737,760
Depreciation calculated incorrectly	1,196,293
Principal increase on bonds payable	(2,474,771)
Principal reduction on long term note	109,000
Net Assets - June 30, 2009 restated	\$7,804,954

The School District also had reported interfund receivables and payables for advances in prior years that were reported in error. Those interfund receivables and payable were removed as prior period adjustments. Subsequent to year-end and issuance of the School District's financial statements, management determined that principal and interest payments in prior years on its long-term notes and COPS bonds payable had been paid in error from the Debt Service Fund, and in fact, should have been paid by the General Fund. This resulted in the need for a prior period adjustment of \$1,617,857 to increase the fund balance of the Debt Service Fund and decrease the fund balance of the General Fund. The prior period adjustments had the following impact of the fund financial statements:

	General Fund	Debt Service Fund	Emergency Levy Fund	Other Governmental Funds
Fund Balance - June 30, 2009	(\$649,297)	\$909,421	\$1,775,271	(\$1,489,804)
Incorrect posting of expenditures	(1,617,857)	1,617,857	0	0
Removal of long term interfund activity	(163,764)	0	(1,579,072)	1,742,836
Fund Balance - June 30, 2009 restated	(\$2,430,918)	\$2,527,278	\$196,199	\$253,032

The above noted incorrect reporting of principal and interest payments in the Debt Service Fund rather than the General Fund also necessitated a restatement of the General Fund beginning budgetary fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP) Basis and Actual. The beginning budgetary fund balance was restated as of June 30, 2009 from \$461,530 to (\$1,156,327).

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 20 –Restatement of Net Assets/Fund Balances (continued)

Also, subsequent to year-end and after issuance of the School District's financial statements, management determined that principal and interest payments of \$480,449 during the year ended June 30, 2010 should have been paid from the General Fund rather than the Debt Service Fund. Thus, the reporting of principal and interest has been changed from the previously issued financial statements.

Finally, due to changes in the Debt Service and General funds, the reporting of the governmental activities' net assets from the previously issued financial statements has been changed to reflect an increase in net assets restricted for debt service of \$2,098,306 from \$505,093 to \$2,603,399 and resulted in a corresponding decrease in unrestricted net assets.

Subsequent to year-end, the Ohio Department of Education placed the School District under Fiscal Caution status and required the School District to develop a plan to alleviate this financial condition.

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

Food Service – 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.

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.

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)

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.

Fiscal Stabilization Grant – This fund accounts for federal stimulus funds that are provided through the Ohio Department of Education in an effort to help offset general fund costs.

Title II-D Grant – This fund accounts for federal grants specific to the special education program D of the Title II grant.

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.

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.

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2010

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund - Permanent Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 228,490	\$ 133,996	\$ 362,486
Receivables:			
Accounts	140	-	140
Intergovernmental	62,423	-	62,423
Materials and Supplies Inventory	<u>20,323</u>	<u>-</u>	<u>20,323</u>
 Total Assets	 <u>311,376</u>	 <u>133,996</u>	 <u>445,372</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Payables:			
Accounts	39,488	66,397	105,885
Intergovernmental	41,029	-	41,029
Salaries and Employee Benefits	91,481	-	91,481
Interfund	18,887	-	18,887
Deferred Revenue	<u>62,423</u>	<u>-</u>	<u>62,423</u>
 Total Liabilities	 <u>253,308</u>	 <u>66,397</u>	 <u>319,705</u>
<u>Fund Balances:</u>			
Reserved for:			
Encumbrances	19,774	25	19,799
Unreserved, reported in:			
Special Revenue	38,294	-	38,294
Capital Projects	<u>-</u>	<u>67,574</u>	<u>67,574</u>
 Total Fund Balances	 <u>58,068</u>	 <u>67,599</u>	 <u>125,667</u>
 Total Liabilities and Fund Balances	 <u>\$ 311,376</u>	 <u>\$ 133,996</u>	 <u>\$ 445,372</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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 1,425,159	\$ -	\$ 1,425,159
Charges for Services	603,380	-	603,380
Rent	-	6,312	6,312
Gifts and Donations	12,883	15,000	27,883
Extracurricular Activities	311,791	-	311,791
Miscellaneous	38,031	55,613	93,644
	<hr/>	<hr/>	<hr/>
Total Revenues	2,391,244	76,925	2,468,169
Expenditures:			
Current:			
Instruction:			
Regular	366,834	-	366,834
Special	22,929	-	22,929
Support Services:			
Pupils	237,730	-	237,730
Instructional Staff	393,452	-	393,452
Administration	19,630	-	19,630
Fiscal	2,856	-	2,856
Operation and Maintenance of Plant	100,531	1,009,662	1,110,193
Pupil Transportation	1,819	-	1,819
Central	169,608	65,182	234,790
Operation of Non-Instructional Services	854,033	-	854,033
Extracurricular Activities	767,146	-	767,146
Capital Outlay	-	46,495	46,495
Debt Service:			
Issuance Costs	-	35,280	35,280
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,936,568	1,156,619	4,093,187
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(545,324)	(1,079,694)	(1,625,018)
Other Financing Sources (Uses)			
Face Value from Sale of Bonds	-	980,000	980,000
Premium from Sale of Bonds	-	6,104	6,104
Transfers - In	511,919	-	511,919
Transfers - Out	(370)	-	(370)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	511,549	986,104	1,497,653
Net Change in Fund Balances	(33,775)	(93,590)	(127,365)
Fund Balances - beginning (restated)	91,843	161,189	253,032
Fund Balances - ending	<u>\$ 58,068</u>	<u>\$ 67,599</u>	<u>\$ 125,667</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2010

	Food Service	Special Trust	Public School Support	Other Grant	District Managed Activities	Miscellaneous State Grants
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 30,079	\$ 11,180	\$ 105,002	\$ 52,557	\$ 5	\$ 4,333
Receivables:						
Accounts	140	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Materials and Supplies Inventory	20,323					
Total Assets	50,542	11,180	105,002	52,557	5	4,333
Liabilities and Fund Balances						
Liabilities:						
Payables:						
Accounts	14,587	373	3,657	725	5,007	-
Intergovernmental	20,918	-	-	-	4,672	-
Salaries and Employee Benefits	20,701	-	-	-	16,542	-
Interfund	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	56,206	373	3,657	725	26,221	-
Fund Balances:						
Reserved for:						
Encumbrances	2,698	-	1,664	4	7,685	-
Unreserved, reported in:						
Special Revenue (Deficit)	(8,362)	10,807	99,681	51,828	(33,901)	4,333
Total Fund Balances (Deficit)	(5,664)	10,807	101,345	51,832	(26,216)	4,333
Total Liabilities and Fund Balances	\$ 50,542	\$ 11,180	\$ 105,002	\$ 52,557	\$ 5	\$ 4,333

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2010

Title VI-B Grant	Fiscal Stabilization Grant	Title II-D Grant	Title III Grant	Title I Grant
\$ -	\$ -	\$ -	\$ 7,341	\$ 2,987
-	-	-	-	-
42,677	-	-	-	9,932
<u>42,677</u>	<u>-</u>	<u>-</u>	<u>7,341</u>	<u>12,919</u>
3,620	-	-	3,344	7,514
13,647	-	-	-	1,748
46,815	-	-	-	7,423
18,673	-	214	-	-
42,677	-	-	-	9,932
<u>125,432</u>	<u>-</u>	<u>214</u>	<u>3,344</u>	<u>26,617</u>
1,032	-	-	3,069	521
<u>(83,787)</u>	<u>-</u>	<u>(214)</u>	<u>928</u>	<u>(14,219)</u>
<u>(82,755)</u>	<u>-</u>	<u>(214)</u>	<u>3,997</u>	<u>(13,698)</u>
<u>\$ 42,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,341</u>	<u>\$ 12,919</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2010
(Continued)

	Drug-Free Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,085	\$ -	\$ 8,818	\$ 3,103	\$ 228,490
Receivables:					
Accounts	-	-	-	-	140
Intergovernmental	1,741	-	8,073	-	62,423
Materials and Supplies Inventory					20,323
Total Assets	4,826	-	16,891	3,103	311,376
Liabilities and Fund Balances					
Liabilities:					
Payables:					
Accounts	-	-	661	-	39,488
Intergovernmental	44	-	-	-	41,029
Salaries and Employee Benefits	-	-	-	-	91,481
Interfund	-	-	-	-	18,887
Deferred Revenue	1,741	-	8,073	-	62,423
Total Liabilities	1,785	-	8,734	-	253,308
Fund Balances:					
Reserved for:					
Encumbrances	1,500	-	1,601	-	19,774
Unreserved, reported in:					
Special Revenue (Deficit)	1,541	-	6,556	3,103	38,294
Total Fund Balances (Deficit)	3,041	-	8,157	3,103	58,068
Total Liabilities and Fund Balances	\$ 4,826	\$ -	\$ 16,891	\$ 3,103	\$ 311,376

This page intentionally left blank

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, 2010

	Food Service	Special Trust	Public School Support	Other Grant
Revenues:				
Intergovernmental	\$ 265,230	\$ -	\$ -	\$ 11,091
Charges for Services	594,144	-	-	-
Gifts and Donations	-	4,547	270	-
Extracurricular Activities	-	-	88,204	-
Miscellaneous	-	460	12,315	-
Total Revenues	<u>859,374</u>	<u>5,007</u>	<u>100,789</u>	<u>11,091</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	4,850	27,959	495
Special	-	-	-	6,757
Support Services:				
Pupils	-	402	26,129	-
Instructional Staff	-	-	36,410	14,074
Administration	-	-	270	1,645
Fiscal	-	-	-	-
Operation and Maintenance of Plant	-	-	-	11,748
Pupil Transportation	-	-	1,819	-
Central	-	-	-	-
Operation of Non-Instructional Services	854,033	-	-	-
Extracurricular Activities	-	200	-	-
Total Expenditures	<u>854,033</u>	<u>5,452</u>	<u>92,587</u>	<u>34,719</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	5,341	(445)	8,202	(23,628)
Other Financing Sources (Uses)				
Transfers - In	-	1,889	10,558	-
Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,889</u>	<u>10,558</u>	<u>-</u>
Net Change in Fund Balances	5,341	1,444	18,760	(23,628)
Fund Balances (Deficit) - beginning (restated)	(11,005)	9,363	82,585	75,460
Fund Balances (Deficit) - ending	<u>\$ (5,664)</u>	<u>\$ 10,807</u>	<u>\$ 101,345</u>	<u>\$ 51,832</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, 2010

District Managed Activities	Educational Management Information Systems	Early Entry Program	OneNet Ohio	School Net Professional Development	Miscellaneous State Grants
\$ -	\$ 6,000	\$ -	\$ 8,145	\$ -	\$ -
9,236	-	-	-	-	-
8,066	-	-	-	-	-
223,587	-	-	-	-	-
25,256	-	-	-	-	-
<u>266,145</u>	<u>6,000</u>	<u>-</u>	<u>8,145</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	5,839
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	15,496	-	8,145	-	-
-	-	-	-	-	-
766,946	-	-	-	-	-
<u>766,946</u>	<u>15,496</u>	<u>-</u>	<u>8,145</u>	<u>-</u>	<u>5,839</u>
(500,801)	(9,496)	-	-	-	(5,839)
499,472	-	-	-	-	-
-	-	-	-	(370)	-
<u>499,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370)</u>	<u>-</u>
(1,329)	(9,496)	-	-	(370)	(5,839)
(24,887)	9,496	-	-	370	10,172
<u>\$ (26,216)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,333</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, 2010
(continued)

	Title VI-B Grant	Fiscal Stabilization Grant	Title II-D Grant	Title III Grant	Title I Grant
Revenues:					
Intergovernmental	\$ 540,516	\$ 331,303	\$ 1,709	\$ 18,821	\$ 178,603
Charges for Services	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	540,516	331,303	1,709	18,821	178,603
Expenditures:					
Current:					
Instruction:					
Regular	48,395	51,601	-	-	216,823
Special	-	-	-	16,172	-
Support Services:					
Pupils	192,870	-	-	-	-
Instructional Staff	297,288	44,019	-	-	1,639
Administration	17,715	-	-	-	-
Fiscal	-	2,856	-	-	-
Operation and Maintenance of Plant	-	88,783	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	144,044	1,923	-	-
Operation of Non-Instructional Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	556,268	331,303	1,923	16,172	218,462
Excess (deficiency) of Revenues Over (Under) Expenditures	(15,752)	-	(214)	2,649	(39,859)
Other Financing Sources (Uses)					
Transfers - In	-	-	-	-	-
Transfers - Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(15,752)	-	(214)	2,649	(39,859)
Fund Balances (Deficit) - beginning (restated)	(67,003)	-	-	1,348	26,161
Fund Balances (Deficit) - ending	\$ (82,755)	\$ -	\$ (214)	\$ 3,997	\$ (13,698)

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, 2010

Drug-Free Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 2,771	\$ 18,329	\$ 42,641	\$ -	\$ 1,425,159
-	-	-	-	603,380
-	-	-	-	12,883
-	-	-	-	311,791
-	-	-	-	38,031
<u>2,771</u>	<u>18,329</u>	<u>42,641</u>	<u>-</u>	<u>2,391,244</u>
860	-	10,012	-	366,834
-	-	-	-	22,929
-	18,329	-	-	237,730
22	-	-	-	393,452
-	-	-	-	19,630
-	-	-	-	2,856
-	-	-	-	100,531
-	-	-	-	1,819
-	-	-	-	169,608
-	-	-	-	854,033
-	-	-	-	767,146
<u>882</u>	<u>18,329</u>	<u>10,012</u>	<u>-</u>	<u>2,936,568</u>
1,889	-	32,629	-	(545,324)
-	-	-	-	511,919
-	-	-	-	(370)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,549</u>
1,889	-	32,629	-	(33,775)
1,152	-	(24,472)	3,103	91,843
<u>\$ 3,041</u>	<u>\$ -</u>	<u>\$ 8,157</u>	<u>\$ 3,103</u>	<u>\$ 58,068</u>

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$225,000	\$265,230	\$265,230	\$0
Charges for Services	600,000	593,524	594,004	480
Total Revenues	825,000	858,754	859,234	480
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services	825,549	854,646	864,085	(9,439)
Total Expenditures	825,549	854,646	864,085	(9,439)
Net Change in Fund Balance	(549)	4,108	(4,851)	(8,959)
Fund Balances at Beginning of Year	17,801	17,801	17,801	0
Prior Year Encumbrances Appropriated	99	99	99	0
Fund Balances at End of Year	<u>\$17,351</u>	<u>\$22,008</u>	<u>\$13,049</u>	<u>(\$8,959)</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, 2010

	Special Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Gifts and Donations	\$4,540	\$4,547	\$4,547	\$0
Miscellaneous	460	460	460	0
Total Revenues	5,000	5,007	5,007	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,040	4,432	4,827	(395)
Support Services:				
Pupils	1,460	402	402	0
Extracurricular Activities	500	200	200	0
Total Expenditures	5,000	5,034	5,429	(395)
Excess of Revenues Over (Under) Expenditures	0	(27)	(422)	(395)
<u>Other Financing Sources:</u>				
Transfers In	0	80	1,889	1,809
Total Other Financing Sources	0	80	1,889	1,809
Net Change in Fund Balance	0	53	1,467	1,414
Fund Balances at Beginning of Year	9,364	9,364	9,364	0
Fund Balances at End of Year	\$9,364	\$9,417	\$10,831	\$1,414

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, 2010

	Public School Support			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$83,300	\$89,429	\$89,429	\$0
Gifts and Donations	0	270	270	0
Miscellaneous	8,850	11,351	12,315	964
Total Revenues	92,150	101,050	102,014	964
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	32,495	53,015	27,917	25,098
Support Services:				
Pupils	28,290	28,899	28,899	0
Instructional Staff	33,158	36,430	36,430	0
Administration	0	270	270	0
Pupil Transportation	1,500	1,482	1,482	0
Total Expenditures	95,443	120,096	94,998	25,098
Excess of Revenues Over Expenditures	(3,293)	(19,046)	7,016	26,062
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	11,390	11,390	0
Transfers Out	0	(832)	(832)	0
Total Other Financing Sources (Uses)	0	10,558	10,558	0
Net Change in Fund Balance	(3,293)	(8,488)	17,574	26,062
Fund Balances at Beginning of Year	82,753	82,753	82,753	0
Prior Year Encumbrances Appropriated	443	443	443	0
Fund Balances at End of Year	<u>\$79,903</u>	<u>\$74,708</u>	<u>\$100,770</u>	<u>\$26,062</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, 2010

	Other Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$18,000	\$22,861	\$22,861	\$0
Gifts and Donations	17,000	5,535	0	(5,535)
Total Revenues	<u>35,000</u>	<u>28,396</u>	<u>22,861</u>	<u>(5,535)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	8,000	495	495	0
Special	9,394	9,305	9,305	0
Support Services:				
Pupils	5,000	8,277	0	8,277
Instructional Staff	13,100	14,074	14,074	0
Administration	2,000	1,645	1,645	0
Operation and Maintenance of Plant	0	11,748	11,748	0
Total Expenditures	<u>37,494</u>	<u>45,544</u>	<u>37,267</u>	<u>8,277</u>
Net Change in Fund Balance	(2,494)	(17,148)	(14,406)	2,742
Fund Balances at Beginning of Year	63,741	63,741	63,741	0
Prior Year Encumbrances Appropriated	<u>2,494</u>	<u>2,494</u>	<u>2,494</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$63,741</u></u>	<u><u>\$49,087</u></u>	<u><u>\$51,829</u></u>	<u><u>\$2,742</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, 2010

	District Managed Activities			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Rent	\$0	\$9,236	\$9,236	\$0
Extracurricular Activities	221,750	223,587	223,587	0
Gifts and Donations	250	8,066	8,066	0
Miscellaneous	3,000	13,271	25,256	11,985
Total Revenues	225,000	254,160	266,145	11,985
<u>Expenditures:</u>				
Current:				
Extracurricular Activities	700,514	816,620	776,663	39,957
Total Expenditures	700,514	816,620	776,663	39,957
Excess of Revenues (Under) Expenditures	(475,514)	(562,460)	(510,518)	51,942
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	500,222	500,222	0
Transfers Out	0	(750)	(750)	0
Total Other Financing Sources (Uses)	0	499,472	499,472	0
Net Change in Fund Balance	(475,514)	(62,988)	(11,046)	51,942
Fund Balances at Beginning of Year	(514)	(514)	(514)	0
Prior Year Encumbrances Appropriated	514	514	514	0
Fund Balances (Deficit) at End of Year	(\$475,514)	(\$62,988)	(\$11,046)	\$51,942

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, 2010

	Educational Management Information Systems			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$6,300	\$6,000	\$6,000	\$0
Total Revenues	6,300	6,000	6,000	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central	6,300	6,300	15,496	(9,196)
Total Expenditures	6,300	6,300	15,496	(9,196)
Net Change in Fund Balance	0	(300)	(9,496)	(9,196)
Fund Balances at Beginning of Year	9,496	9,496	9,496	0
Fund Balances at End of Year	\$9,496	\$9,196	\$0	(\$9,196)

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, 2010

	Early Entry Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,100	\$0	\$0	\$0
Total Revenues	\$2,100	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	2,100	0	0	0
Total Expenditures	2,100	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$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, 2010

	OneNet Ohio			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$8,145	\$8,145	\$0
Total Revenues	12,000	8,145	8,145	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central	12,000	12,000	8,145	3,855
Total Expenditures	12,000	12,000	8,145	3,855
Excess of Revenues Over (Under) Expenditures	0	(3,855)	0	3,855
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	17,052	17,052
Transfers Out	0	0	(17,052)	(17,052)
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	(3,855)	0	3,855
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances (Deficit) at End of Year	\$0	(\$3,855)	\$0	\$3,855

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, 2010

	School Net Professional Development			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Other Financing Uses:</u>				
Transfers Out	\$0	(\$370)	(\$370)	\$0
Net Change in Fund Balance	0	(370)	(370)	0
Fund Balances at Beginning of Year	\$370	\$370	\$370	\$0
Fund Balances at End of Year	<u>\$370</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2010

	Miscellaneous State Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$5,200	\$0	\$0	\$0
Total Revenues	5,200	0	0	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	5,200	5,839	(639)
Support Services:				
Central	5,200	0	0	0
Total Expenditures	5,200	5,200	5,839	(639)
Net Change in Fund Balance	0	(5,200)	(5,839)	(639)
Fund Balances at Beginning of Year	10,172	10,172	10,172	0
Fund Balances at End of Year	<u>\$10,172</u>	<u>\$4,972</u>	<u>\$4,333</u>	<u>(\$639)</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, 2010

	Title VI-B Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$368,092	\$540,743	\$540,516	(\$227)
Total Revenues	368,092	540,743	540,516	(227)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	57,815	57,815	40,516	17,299
Support Services:				
Pupils	281,780	281,780	197,467	84,313
Instructional Staff	432,691	432,691	303,223	129,468
Administration	33,017	33,017	23,138	9,879
Total Expenditures	805,303	805,303	564,344	240,959
Excess of Revenues Over Expenditures	(437,211)	(264,560)	(23,828)	240,732
<u>Other Financing Sources:</u>				
Advances In	0	0	18,673	18,673
Total Other Financing Sources	0	0	18,673	18,673
Net Change in Fund Balance	(437,211)	(264,560)	(5,155)	259,405
Fund Balances (Deficit) at Beginning of Year	(7,008)	(7,008)	(7,008)	0
Prior Year Encumbrances Appropriated	7,009	7,009	7,009	0
Fund Balances (Deficit) at End of Year	(\$437,210)	(\$264,559)	(\$5,154)	\$259,405

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, 2010

	Fiscal Stabilization Funds			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$334,435	\$331,303	\$331,303	\$0
Total Revenues	334,435	331,303	331,303	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	51,601	51,601	51,601	0
Support Services:				
Instructional Staff	44,019	44,019	44,019	0
Fiscal	2,856	2,856	2,856	0
Operation and Maintenance of Plant	88,783	88,783	88,783	0
Central	147,176	144,044	144,044	0
Total Expenditures	334,435	331,303	331,303	0
Net Change in Fund Balance	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$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, 2010

	Title IID Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$1,709	\$1,709	\$0
Total Revenues	0	1,709	1,709	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central	0	2,143	1,923	220
Total Expenditures	0	2,143	1,923	220
Excess of Revenues Over (Under) Expenditures	0	(434)	(214)	220
<u>Other Financing Sources:</u>				
Advances In	0	0	214	214
Total Other Financing Sources	0	0	214	214
Net Change in Fund Balance	0	(434)	0	434
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances (Deficit) at End of Year	<u>\$0</u>	<u>(\$434)</u>	<u>\$0</u>	<u>\$434</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, 2010

	Title III Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$10,428	\$15,895	\$18,821	\$2,926
Total Revenues	10,428	15,895	18,821	2,926
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	11,009	15,828	19,497	(3,669)
Total Expenditures	11,009	15,828	19,497	(3,669)
Net Change in Fund Balance	(581)	67	(676)	(743)
Fund Balances at Beginning of Year	1,022	1,022	1,022	0
Prior Year Encumbrances Appropriated	581	581	581	0
Fund Balances at End of Year	<u>\$1,022</u>	<u>\$1,670</u>	<u>\$927</u>	<u>(\$743)</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, 2010

	Title I Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$107,953	\$178,603	\$178,603	\$0
Total Revenues	107,953	178,603	178,603	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	153,977	228,760	208,523	20,237
Support Services:				
Instructional Staff	0	1,676	1,676	0
Total Expenditures	153,977	230,436	210,199	20,237
Net Change in Fund Balance	(46,024)	(51,833)	(31,596)	20,237
Fund Balances at Beginning of Year	26,548	26,548	26,548	0
Fund Balances (Deficit) at End of Year	(\$19,476)	(\$25,285)	(\$5,048)	\$20,237

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, 2010

	Drug-Free Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$4,512	\$4,512	\$2,771	(\$1,741)
Total Revenues	4,512	4,512	2,771	(1,741)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,512	4,533	2,338	2,195
Total Expenditures	4,512	4,533	2,338	2,195
Net Change in Fund Balance	0	(21)	433	454
Fund Balances at Beginning of Year	1,152	1,152	1,152	0
Fund Balances at End of Year	<u>\$1,152</u>	<u>\$1,131</u>	<u>\$1,585</u>	<u>\$454</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, 2010

	EHA Preschool Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,688	\$18,329	\$18,329	\$0
Total Revenues	2,688	18,329	18,329	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils	18,329	18,329	18,329	0
Total Expenditures	18,329	18,329	18,329	0
Net Change in Fund Balance	(15,641)	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances (Deficit) at End of Year	<u>(\$15,641)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2010

	Improving Teacher Quality			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$43,985	\$43,985	\$42,641	(\$1,344)
Total Revenues	43,985	43,985	42,641	(1,344)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	44,418	47,591	36,000	11,591
Total Expenditures	44,418	47,591	36,000	11,591
Net Change in Fund Balance	(433)	(3,606)	6,641	10,247
Fund Balances (Deficit) at Beginning of Year	(512)	(512)	(512)	0
Prior Year Encumbrances Appropriated	512	512	512	0
Fund Balances (Deficit) at End of Year	(\$433)	(\$3,606)	\$6,641	\$10,247

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, 2010

	Miscellaneous Federal Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$967	\$0	\$0	\$0
Total Revenues	967	0	0	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	967	0	0	0
Fund Balances at Beginning of Year	\$3,103	\$3,103	\$3,103	\$0
Fund Balances at End of Year	<u>\$4,070</u>	<u>\$3,103</u>	<u>\$3,103</u>	<u>\$0</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, 2010

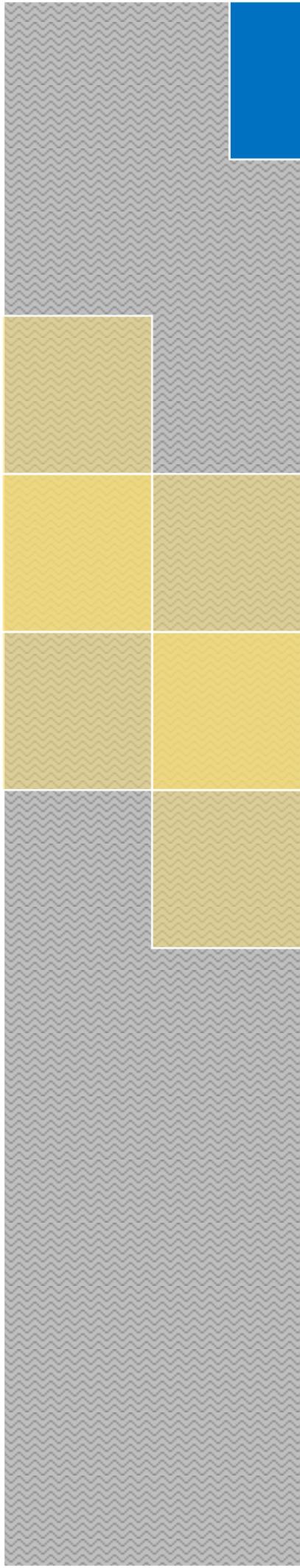
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$1,999,458	\$2,047,025	\$2,047,025	\$0
Intergovernmental	246,000	199,650	199,650	0
Total Revenues	2,245,458	2,246,675	2,246,675	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration	100,000	137,498	0	137,498
Fiscal	40,000	29,518	33,576	(4,058)
Debt Service:				
Principal Retirement	980,000	899,347	900,000	(653)
Interest and Fiscal Charges	1,125,458	1,249,095	1,219,790	29,305
Total Expenditures	2,245,458	2,315,458	2,153,366	162,092
Net Change in Fund Balance	0	(68,783)	93,309	162,092
Fund Balances at Beginning of Year	2,472,132	2,472,132	2,472,132	0
Fund Balances at End of Year	<u>\$2,472,132</u>	<u>\$2,403,349</u>	<u>\$2,565,441</u>	<u>\$162,092</u>

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, 2010

	Permanent Improvement			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Interest	\$100	\$0	\$0	\$0
Rent	7,000	9,274	9,274	0
Gifts and Donations	12,900	15,000	15,000	0
Miscellaneous	0	55,613	55,613	0
Total Revenues	<u>20,000</u>	<u>79,887</u>	<u>79,887</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant	0	86,800	1,044,967	(958,167)
Capital Outlay	20,000	20,882	20,882	0
Total Expenditures	<u>20,000</u>	<u>107,682</u>	<u>1,065,849</u>	<u>(958,167)</u>
Excess of Revenues (Under) Expenditures	0	(27,795)	(985,962)	(958,167)
<u>Other Financing Sources</u>				
Face Value from Sale of Bonds	0	0	980,000	980,000
Premium on Sale of Bonds	0	0	6,104	6,104
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>986,104</u>	<u>986,104</u>
Net Change in Fund Balance	0	(27,795)	142	27,937
Fund Balances at Beginning of Year	<u>132,613</u>	<u>132,613</u>	<u>132,613</u>	<u>0</u>
Fund Balances at End of Year	<u>\$132,613</u>	<u>\$104,818</u>	<u>\$132,755</u>	<u>\$27,937</u>

**Monroe Local School District
Butler County, Ohio
Combining Statement of Changes
in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2010**

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 57,972	\$ 70,710	\$ 57,972	\$ 70,710
Total Assets	<u>57,972</u>	<u>70,710</u>	<u>57,972</u>	<u>70,710</u>
<u>Liabilities:</u>				
Accounts Payable	664	16,741	664	16,741
Due to Students	57,308	53,969	57,308	53,969
Total Liabilities	<u>\$ 57,972</u>	<u>\$ 70,710</u>	<u>\$ 57,972</u>	<u>\$ 70,710</u>



Statistical Section

Comprehensive Annual Financial Report

Monroe Local School District

Monroe, Ohio

For the Fiscal Year Ended June 30, 2010

Kelley Thorpe, Treasurer



**Monroe Local School District
Butler County, Ohio
Statistical Section Descriptions
June 30, 2010**

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.	97-102
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.	103-106
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.	107-111
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.	112-113
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.	114-118

This page intentionally left blank

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

	2010	2009	2008	2007	2006
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 7,387,369	\$ 8,035,705	\$ 334,638	\$ 2,655,180	\$ 1,832,915
Restricted	2,948,082	1,721,462	1,508,424	1,299,613	1,083,162
Unrestricted (Deficit)	<u>(3,679,875)</u>	<u>(1,952,663)</u>	<u>(334,297)</u>	<u>(1,274,329)</u>	<u>(304,070)</u>
Total Governmental Activities Net Assets	<u>\$ 6,655,576</u>	<u>\$ 7,804,504</u>	<u>\$ 1,508,765</u>	<u>\$ 2,680,464</u>	<u>\$ 2,612,007</u>
	2005	2004	2003	2002	2001
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 8,351,140	\$ (491,229)	\$ 14,443,148	\$ 4,622,375	\$ 1,134,589
Restricted	1,163,394	3,900,507	20,872,945	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>
Total Governmental Activities Net Assets	<u>\$ 3,988,022</u>	<u>\$ 6,647,105</u>	<u>\$ 10,396,919</u>	<u>\$ 10,047,481</u>	<u>\$ 7,690,529</u>

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

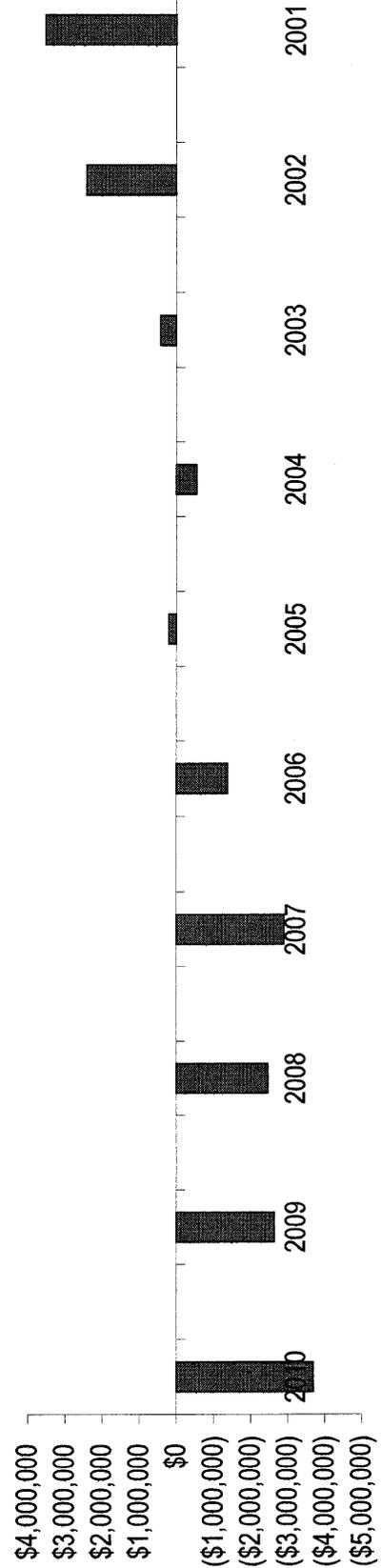
	2010	2009	2008	2007
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$ 9,931,408	\$ 10,334,336	\$ 9,962,807	\$ 8,644,854
Special	1,543,558	1,234,270	1,273,693	920,732
Other	19,607	35,221	33,521	51,873
Support Services:				
Pupils	1,416,028	850,125	956,942	744,215
Instructional Staff	1,059,105	1,008,308	710,573	592,121
Administration	1,608,110	1,611,985	1,600,549	1,409,912
Fiscal	688,373	623,938	529,038	458,825
Operation and Maintenance of Plant	1,772,836	2,456,252	1,599,746	1,986,607
Pupil Transportation	1,679,363	1,472,138	1,629,905	1,525,018
Other	758,394	695,471	662,487	444,335
Operation of Non-Instructional Services	0	0	2,370	0
Food Service	871,438	876,803	807,224	641,471
Extracurricular Activities	839,139	790,591	840,643	700,242
Interest and Fiscal Charges	1,448,582	1,516,964	1,501,000	2,250,281
<i>Total Governmental Activities Expenses</i>	<u>23,635,941</u>	<u>23,506,402</u>	<u>22,110,498</u>	<u>20,370,486</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	742,602	912,989	1,108,087	1,285,807
Support Services	76,409	91,215	113,457	283,918
Other	851,053	806,357	829,901	790,422
Operating Grants and Contributions				
Instruction	336,503	136,797	202,431	110,942
Support Services	841,577	404,912	530,797	388,742
Other	280,230	346,474	352,831	155,235
<i>Total Governmental Activities Program Revenues</i>	<u>3,128,374</u>	<u>2,698,744</u>	<u>3,137,504</u>	<u>3,015,066</u>
Net (Expense)/Revenue	<u>(20,507,567)</u>	<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	10,085,928	11,794,566	11,080,062	11,606,358
Payments in Lieu of Taxes	1,182,678	674,093	384,064	45,096
Grants and Entitlements not Restricted to Specific Programs	7,914,556	7,222,395	6,070,229	5,533,951
Investment Earnings	14,841	42,726	113,977	176,566
Miscellaneous	160,186	335,415	152,963	61,906
<i>Total Governmental Activities</i>	<u>19,358,189</u>	<u>20,069,195</u>	<u>17,801,295</u>	<u>17,423,877</u>
Change in Net Assets	<u>\$ (1,149,378)</u>	<u>\$ (738,463)</u>	<u>\$ (1,171,699)</u>	<u>\$ 68,457</u>

	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 Ten Years
(modified accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$403,575	\$201,181	\$458,054	\$411,485	\$215,409	\$171,969	\$139,151	\$187,065	\$185,919	\$1,079,485
Unreserved	(3,693,119)	(2,632,099)	(2,461,412)	(2,906,161)	(1,370,463)	195,456	(547,347)	423,848	2,415,346	3,515,117
Total General Fund	(3,289,544)	(2,430,918)	(2,003,358)	(2,494,676)	(1,155,054)	367,425	(408,196)	610,913	2,601,265	4,594,602
All Other Governmental Funds										
Reserved	102,073	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	(254,962)	37,827	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	2,565,441	2,472,132	3,035,390	1,925,727	1,250,545	1,036,405	827,987	662,243	30,824,664	0
Capital Projects funds	67,574	124,394	(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	2,480,126	2,976,509	3,092,228	3,343,976	2,002,789	1,141,498	7,247,435	22,932,624	33,391,720	2,529,125
Total Governmental Funds	(\$809,418)	\$545,591	\$1,088,870	\$849,300	\$847,735	\$1,508,923	\$6,839,239	\$23,543,537	\$35,992,985	\$7,123,727

Unreserved General Fund Balance



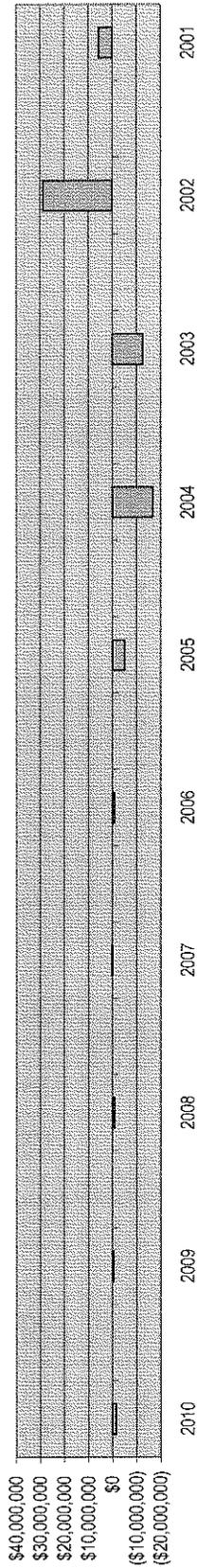
Monroe Local School District
 Changes in Fund Balances, Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Property and Other Local Taxes	\$10,473,949	\$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	1,182,678	674,093	384,064	45,096	0	0	0	0	0	0
Intergovernmental	9,052,499	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	606,140	622,191	640,604	774,055	1,010,459	784,028	453,963	408,320	350,578	366,444
Tuition and Fees	707,492	874,207	1,054,661	1,239,606	1,139,529	1,019,506	912,526	6,677	2,411	6,328
Interest	14,841	42,726	113,977	176,566	113,721	86,970	89,402	844,174	753,474	186,759
Gifts and Donations	28,883	162,270	220,929	59,977	30,875	41,149	10,306	16,627	14,687	50,158
Extracurricular Activities	311,791	276,518	307,328	253,806	233,547	138,125	121,737	104,877	89,402	107,791
Miscellaneous	106,669	248,353	64,927	48,115	44,013	87,306	132,931	119,090	674,577	52,891
Total Revenues	22,484,942	22,488,597	20,854,651	20,387,531	18,436,087	17,179,753	15,693,354	15,350,653	14,551,466	17,240,852
Expenditures										
Current:										
Instruction:										
Regular	9,260,295	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	1,536,682	1,242,163	1,261,537	915,844	1,076,466	978,126	753,247	598,984	587,916	458,044
Vocational/Other	19,607	38,395	33,521	51,873	27,362	35,871	31,826	26,022	4,423	14,274
Support Services										
Pupils	1,440,022	844,239	980,727	742,394	751,536	676,156	438,846	356,859	327,142	247,835
Instructional Staff	1,040,800	998,088	729,714	588,563	596,312	724,719	664,767	492,659	370,613	288,894
Administration	1,573,694	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	684,113	624,619	532,761	464,065	477,216	570,740	417,138	368,790	370,993	299,270
Operation and Maintenance of Plant	2,565,106	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	1,679,363	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	721,818	687,945	652,754	422,139	491,559	597,373	539,185	296,076	224,359	131,567
Operation of Non-Instructional Services	0	0	2,370	0	412	0	3,610	39,630	52,971	26,859
Food Service	854,033	939,342	804,883	638,625	623,195	586,423	543,254	413,088	413,290	447,957
Extracurricular Activities	818,477	841,670	888,317	702,882	724,567	730,093	581,881	667,678	464,305	436,892
Capital Outlay	234,911	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	1,104,473	1,076,315	869,322	2,325,507	700,344	553,425	434,489	476,800	24,975	13,770
Interest and Fiscal Charges	1,481,056	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	25,014,450	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	(2,529,508)	(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)										
Proceeds from Sale of Assets/Lease Purchase Agreement	0	365,000	0	0	0	1,000	0	4,000	0	0
Payment to Escrow Agent	0	0	0	(20,780,910)	0	0	0	0	0	0
Face Value from Sale of Bonds and Long-Term Notes	980,000	0	0	19,640,000	922,745	3,603,733	0	0	29,915,000	0
Premium on Sale of Debt	6,104	0	0	1,505,832	0	0	0	0	0	0

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Inception of Capital Lease	\$188,395	\$0	\$0	\$0	\$0	\$0	\$348,684	\$0	\$0	\$138,701
Transfers In	511,919	639,938	242,379	0	391,140	2,050,000	16,249	30,299,930	1,981,770	0
Transfers Out	(511,919)	(639,938)	(242,379)	0	(391,140)	(2,050,000)	(16,249)	(30,299,930)	(1,981,770)	0
<i>Total Other Financing Sources (Uses)</i>	1,174,499	365,000	0	564,922	922,745	3,604,733	348,684	4,000	29,915,000	138,701
<i>Net Change in Fund Balances</i>	<i>(\$1,355,009)</i>	<i>(\$534,878)</i>	<i>(\$950,430)</i>	<i>\$201,565</i>	<i>(\$861,188)</i>	<i>(\$5,213,439)</i>	<i>(\$16,704,315)</i>	<i>(\$12,462,549)</i>	<i>\$28,868,981</i>	<i>\$5,561,383</i>
Debt Service as a Percentage of Noncapital Expenditures	10.8%	11.0%	10.9%	19.3%	11.9%	7.8%	5.7%	7.9%	6.4%	0.2%

Net Change in Fund Balance, Governmental Funds



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

District Fiscal Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total	
	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	\$ 654,156,660
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
2003	185,913,360	531,181,029	42,599,402	170,397,608	17,056,300	68,221,200	245,568,062	769,799,837
2004	196,489,230	561,397,800	39,359,323	157,437,292	16,628,630	66,514,520	252,477,183	785,349,612
2005	193,759,870	553,599,628	34,495,894	137,983,576	16,170,540	64,662,160	244,426,304	756,265,364
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
2007	241,433,090	689,808,829	33,472,177	133,888,708	16,331,030	66,324,120	291,236,297	899,021,657
2008	248,875,860	711,073,866	21,707,771	86,831,084	16,710,730	18,969,466	287,294,361	816,894,436
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
2010	283,551,132	810,146,091	-	-	16,280,878	18,500,998	299,832,010	828,647,089

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.

Monroe Local School District
 Property Tax Rates (Per \$1,000 of Assessed Value)
 Direct and Overlapping Governments
 Last Nine Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Monroe Local School District	\$ 43.36	\$ 41.88	\$ 40.68	\$ 40.05	\$ 40.32	\$ 44.87	\$ 44.28	\$ 43.53	\$ 41.04
Butler County	8.75	8.75	8.74	8.74	9.44	10.95	10.45	9.75	9.75
City of Monroe	11.17	11.17	11.17	11.17	11.17	9.32	9.32	9.32	9.32
Lemon Township	0.00	0.00	0.00	0.00	0.00	0.60	0.60	0.60	0.60
Butler County JVS	1.93	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	\$ 62.64

Source: Butler County Auditor

Monroe Local School District

Property Tax Levies and Collections - Real and Public Utility Property
Last Nine 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 (2)	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%
2010	10,750,547		10,160,581	94.51%	125,631	10,286,212	95.68%	658,956	6.13%

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 2002

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

Current Year and Eight Years Ago

Name of Taxpayer	2010			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	5.23%	\$ 13,622,110	1	6.34%
Ohio Presbyterian	7,311,040	2	2.44%	2,639,570	5	1.23%
Dayton Technologies	4,513,900	3	1.51%	12,327,950	2	5.73%
EPHS Investments LLC	4,319,170	4	1.44%	2,389,920	6	1.11%
KP Properties of Ohio	3,541,210	5	1.18%	-		0.00%
Worthington Steel	3,508,800	6	1.17%	3,428,730	4	1.59%
Duke Realty Ohio	2,970,330	7	0.99%	2,085,101	8	0.97%
Clark Cincinnati Inc.	2,249,620	8	0.75%	-		0.00%
Crystal Partners LLC	1,726,530	9	0.58%	-		0.00%
Baker Monroe Properties	1,710,650	10	0.57%	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		15.86%	\$ 49,826,228		23.17%
Total Assessed Valuation	\$ 299,832,010			\$ 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 Ten 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	34,178,938	909,421	33,269,517	9.94%	3.74%	4,664	not available
2010	7,133	299,832,010	34,170,857	495,425	33,675,432	11.23%	3.53%	4,721	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

Monroe Local School District

Computation of Direct and Overlapping Debt

June 30, 2010

<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>\$ 34,170,857</u>	100%	<u>\$ 34,170,857</u>
Overlapping:			
Butler County (1)	57,022,131	3%	1,950,157
City of Monroe (1)	<u>5,515,000</u>	100%	<u>5,515,000</u>
Total Overlapping	<u>62,537,131</u>		<u>7,465,157</u>
Total Direct and Overlapping Debt	<u>\$ 96,707,988</u>		<u>\$ 41,636,014</u>

Source: (1) Monroe Local School District records, Butler County and City of Monroe 2009 financial reports.

- (1) Only reflects bonded debt.
- (2) The percent applicable was square mileage within the jurisdiction

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assessed Valuation of District	\$ 299,832,010	\$ 334,684,451	\$ 308,233,386	\$ 314,890,850	\$ 273,883,751	\$ 244,426,304	\$ 252,447,183	\$ 244,568,062	\$ 215,007,517
Overall Direct Debt Limit									
Direct Debt Limitation 9% of assessed valuation (1)	\$ 26,984,881	\$ 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	495,425	909,421	1,112,980	1,276,020	1,079,838	1,095,436	876,602	708,653	30,903,555
Gross Indebtedness	34,170,857	34,178,938	34,980,569	34,593,964	34,874,478	34,666,540	31,534,999	31,934,999	59,825,228
Less Exempt Debt	(28,694,706)	(29,681,939)	(30,599,203)	(30,176,399)	(30,510,000)	(31,062,807)	(31,534,999)	(31,934,999)	(29,910,228)
General Obligation Bonds paid with Special Levy	5,476,151	4,497,000	4,381,366	4,417,565	4,464,478	3,803,733	-	-	29,915,000
Net Indebtedness	\$ 22,004,155	\$ 26,534,022	\$ 24,472,519	\$ 25,209,632	\$ 21,264,898	\$ 19,490,070	\$ 23,696,848	\$ 22,809,779	\$ 20,339,232
Legal Debt Margin within 9% Limitation									
Total Net Debt Applicable to the Limit as a Percentage of the Limit	19.93%	14.49%	15.18%	14.91%	17.35%	15.60%	0.00%	0.00%	59.53%
Energy Conservation Debt Limitation									
Debt Limitation 0.9% of assessed valuation (1)	\$ 2,698,488	\$ 3,012,160	\$ 2,774,100	\$ 2,834,918	\$ 2,464,954	\$ 2,199,837	\$ 2,272,025	\$ 2,210,113	\$ 1,835,088
Unvoted Direct Debt Limitation									
Unvoted Debt Limitation 0.1% of assessed valuation (1)	\$ 299,832	\$ 334,684	\$ 308,233	\$ 314,991	\$ 273,884	\$ 244,426	\$ 252,447	\$ 244,568	\$ 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 Ten 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	32,384,999	-	99,956	32,484,955	23.57%	15.11%	4,554.18
2003	31,934,999	-	73,156	32,008,155	21.45%	13.03%	4,487.33
2004	31,534,999	-	387,351	31,922,350	19.42%	12.64%	4,475.30
2005	31,070,000	3,603,733	298,926	34,972,659	19.07%	14.31%	4,902.94
2006	30,510,000	4,523,000	220,582	35,253,582	17.42%	12.87%	4,942.32
2007	28,210,000	4,473,000	150,075	32,833,075	14.95%	11.27%	4,602.98
2008	28,720,000	4,361,000	72,753	33,153,753	16.97%	11.54%	4,647.94
2009	27,890,000	4,134,000	309,438	32,333,438	13.63%	9.66%	4,532.94
2010	26,990,000	4,011,000	416,360	31,417,360	NA	10.48%	4,404.51

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

Monroe Local School District

Ratio of Annual Debt Service Expenditures

For General Bonded Debt to Total General Government Expenditures

Last Ten 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%
2010	900,000	1,420,836	2,320,836	25,014,450	9.28%

Source: Monroe Local School District records

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

Monroe Local School District
 Demographic Statistics
 Last Ten 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)	Unemployment Rate State of Ohio (3)	Unemployment Rate 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	5.50
2008	357,276	7,133	2,307	237,246,457	33,260	10.50	11.20	9.70
2009	357,276	7,133	2,314	NA	NA	10.10	10.40	9.60

Sources: (1) City of Monroe records

(2) Monroe Local School District records

(3) Ohio Bureau of Employment Services as of June 2010

(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.

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

2009		
Employer	Employees	Percentage of Total City Employment
CBS Personell Service, LLC	2,846	11.42 %
Kohl's Department Stores	2,089	8.38
Ohio Presbyterian Retirement	497	1.99
Elite Labor Weekly, LTD	455	1.83
Monroe Local Schools	398	1.60
Baker Concrete Construction	351	1.41
Deceuninck North America LLC*	307	1.23
Minute Men, INC	242	0.97
Home Depot	214	0.86
Kroger Limited Partnership	198	0.79
Total	7,597	30.49 %
Total City Employees	24,914	

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,
2009 is the latest information available from the City of Monroe

Monroe Local School District
 Full-Time Equivalent School Employees by Function/Program
 Last Nine Fiscal Years

<u>Function/program</u>	<u>2010</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	118	120	117	116	101	97	116	99	94
Special	15	14	16	13	12	13	11	11	1
Support Services									
Pupils	16	13	13	11	8	7	5	5	3
Instructional Staff	11	15	15	10	11	11	9	9	11
Administration	12	12	12	11	7	12	16	16	18
Fiscal	4	4	4	4	4	4	3	3	3
Operation and Maintenance of Plant	13	13	13	13	13	14	10	10	10
Pupil Transportation	0	0	0	0	0	1	1	0	0
Other	1	1	2	6	2	5	5	5	5
Food Service	20	21	21	17	16	17	14	14	12
Extracurricular Activities	2	2	2	2	2	2	2	2	1
Totals:	<u>212</u>	<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 Ten 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%
2010	2,314	19,265,217	8,326	2.0%	123	18.8:1	24.5%

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

Source: Monroe Local School District Records

Monroe Local School District
 School Building Information
 Last Nine Fiscal Years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003*	2002
CAPITAL ASSETS USED BY FUNCTION									
Current:									
Instruction:									
Regular	\$ 732,664	\$ 1,242,053	\$ 1,286,041	\$ 1,371,483	\$ 703,395	\$ 376,690	\$ 196,987	\$ 191,107	\$ 196,081
Special	3,723	4,481	4,311	3,431	2,832	2,225	1,553	28	17,592
Support Services									
Pupils	2,225	1,386	780	1,037	1,060	583	280	280	9,868
Instructional Staff	10,941	6,528	5,837	667	667	667	666	55	10,727
Administration	20,181	2,199	72,802	4,852	4,507	3,721	3,528	2,532	72,941
Fiscal	3,604	2,698	2,074	897	817	657	657	55	11,585
Operation and Maintenance of Plant	48,295	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	20,576	28,344	48,106	47,215	45,832	37,173	26,829	4,316	-
Food Service	16,978	15,570	2,587	2,822	2,900	3,663	4,426	1,839	16,733
Extracurricular Activities	22,777	23,363	18,140	9,339	8,014	4,533	1,289	73	15,446
Totals	\$ 881,964	\$ 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								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
COST PER STUDENT									
Current:									
Instruction:									
Regular	\$ 4,002	\$ 3,946	\$ 4,010	\$ 4,223	\$ 4,631	\$ 4,982	\$ 5,203	\$ 4,397	\$ 3,900
Special	450	-	623	531	691	685	558	449	426
Vocational/Other	8	17	17	30	18	25	24	20	3
Support Services									
Pupils	622	366	484	431	482	474	325	253	237
Instructional Staff	450	433	360	341	383	508	492	370	268
Administration	680	663	791	775	958	934	896	1,519	1,047
Fiscal	296	271	263	269	306	400	309	277	269
Operation and Maintenance of Plant	1,109	909	781	950	1,173	1,169	896	791	673
Pupil Transportation	726	638	805	885	1,159	988	922	727	731
Other	312	298	322	245	316	419	399	222	162
Operation of Non-Instructional Services	-	-	-	-	-	-	3	30	38
Food Service	369	407	397	370	400	411	402	310	299
Extracurricular Activities	354	365	439	408	465	512	431	501	336
Capital Outlay	102	188	309	163	501	5,322	12,042	9,392	2,198
Debt service:									
Principal Retirement	477	467	429	1,349	450	388	322	358	18
Interest and Fiscal Charges	640	632	736	950	1,046	1,002	1,034	1,254	688
Totals	\$ 10,586	\$ 9,600	\$ 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 Ten Fiscal Years

	Fiscal Year									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10

Monroe Primary										
Square Feet	NA	42,327	42,327	42,327						
Enrollment	NA	85	474	576						
Monroe Elementary										
Square Feet	44,638	44,638	44,638	44,638	64,255	64,255	64,255	64,255	64,255	64,255
Enrollment	584	611	647	709	794	888	1,033	1,037	691	704
Monroe Junior High										
Square Feet					23,127	23,127	23,127	23,127	23,127	23,127
Enrollment	180	176	229	258	274	298	323	328	339	371
Monroe High										
Square Feet	153,118	153,118	153,118	153,118	176,255	176,255	176,255	176,255	176,255	176,255
Enrollment	617	546	474	461	506	539	668	716	689	663

Source: Monroe Local School District Records

Monroe Local School District

Miscellaneous Statistical Data

June 30, 2010

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	42,327
Number of Miles Traveled by Transportation Fleet for the Fiscal 2010 School Year:	334,620	Elementary School	64,255
		Junior High School	23,127
		High School	176,255
Number of Meals Served by Food Service Department for the Fiscal 2010 School Year:	231,514	Central Office	3,000
Percentage of Students with Free Lunch	19.5%		
Percentage of Students with Reduced Lunch	5%		
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	576
Monroe Elementary	3-6	704
Monroe Junior High	7-8	371
Monroe Senior High	9-12	663
Total		<u><u>2,314</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	31	23.31%
Bachelor + 1	7	5.26%
Bachelor + 30	10	7.52%
Masters	61	45.86%
Masters + 20	7	5.26%
Masters + 30	17	12.78%
Total	<u><u>133</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	31.59%
6 - 10	34	25.56%
11 - 15	24	18.05%
16 - 20	17	12.78%
21 - 25	8	6.02%
26 and over	8	6.02%
Total	<u><u>133</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
500 Yankee Road
Monroe, Ohio 45050

www.monroelocalschools.com

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010



This page intentionally left blank.



Dave Yost • 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
MAY 29, 2012**